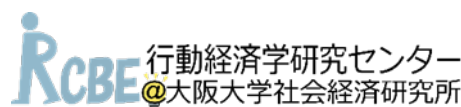


2025 Asia-Pacific Meeting of the Economic Science Association in OSAKA

10-12 March, 2025
Institute of Social and Economic Research
The University of Osaka



本会議は大阪府・大阪市による”万博を契機としたOSAKA国際会議助成金“申請事業です。

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Abstracts

VENUE

Senri Life Science Center

The conference will take place in the Senri Life Science Center in Senri-Chuo.

All conference talks will be on the 5th and 6th floor.
Lunch and Welcome Reception will be served on the 6th floor.

Keynote presentations will be on the 5th floor.

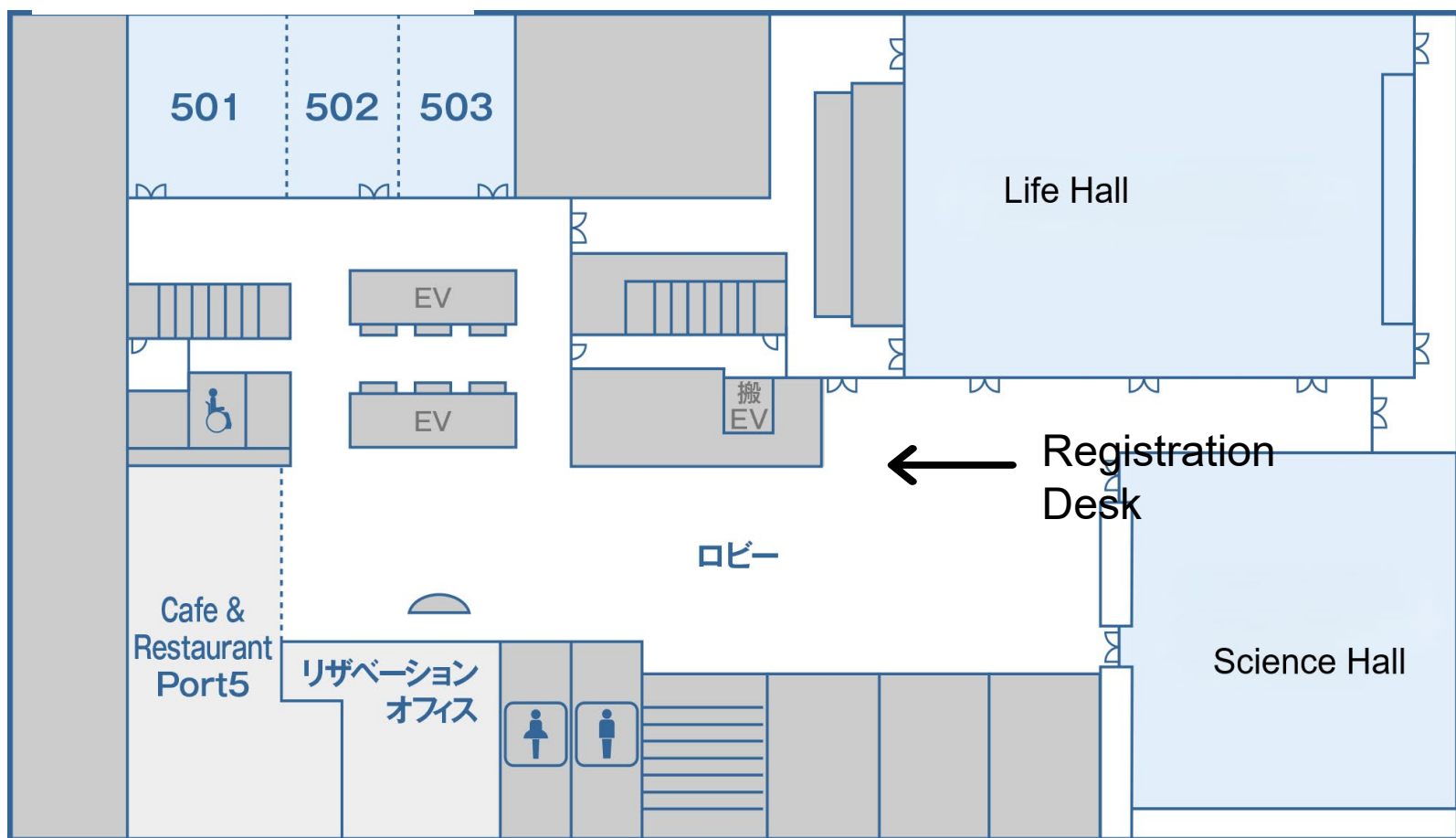


Address: 1-4-2 Shinsenri Higashimachi, Toyonaka, Osaka 560-0082

<https://www.senrilc.co.jp/access/english.html>

VENUE

5th Floor: Registration, Parallel Sessions, Keynote Talks



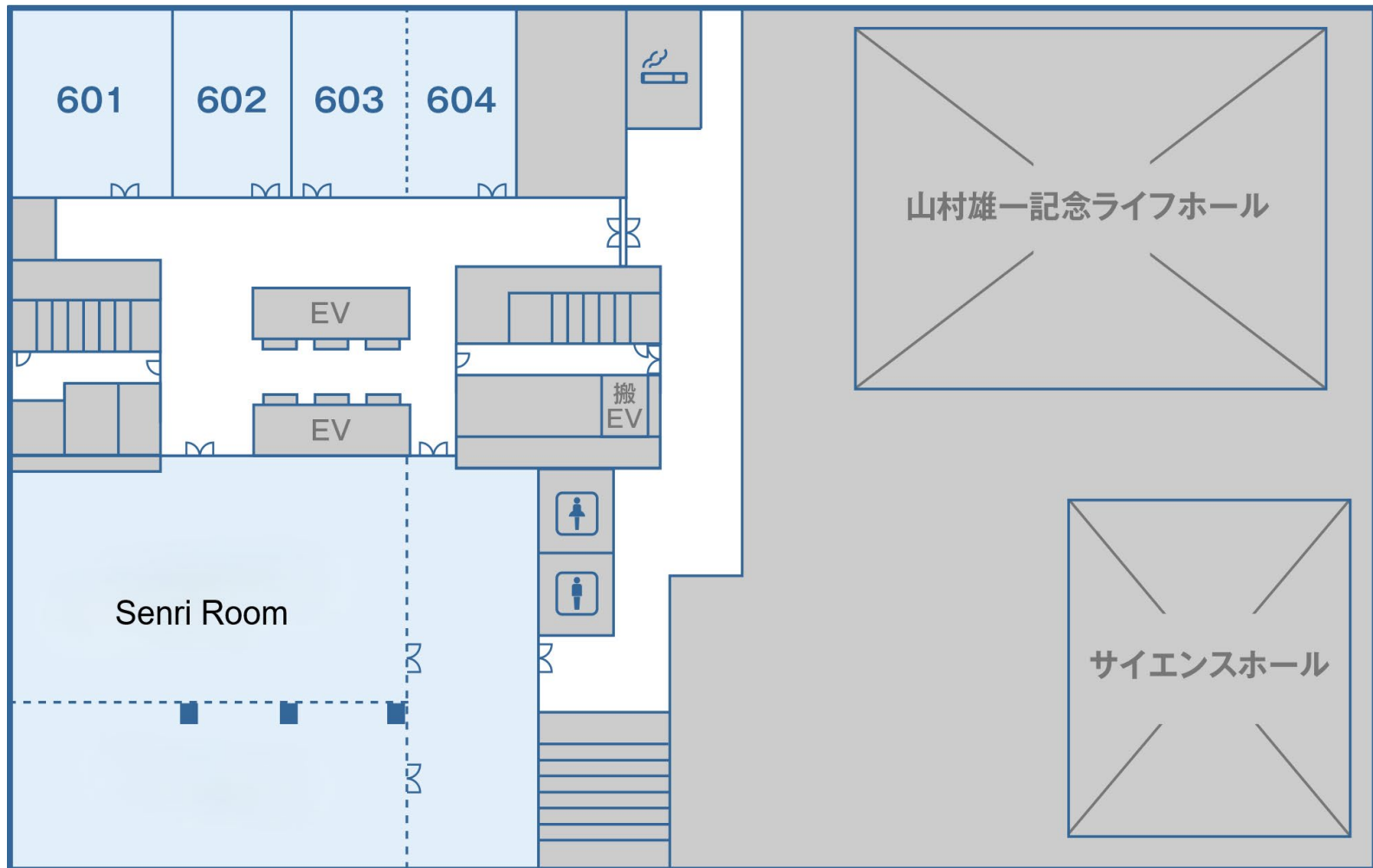
Parallel Sessions: Will be held in 501-503, and Science Hall

Registration: The registration desk will be in the Lobby.

Keynote Talks: Will all be held in Life Hall.

VENUE

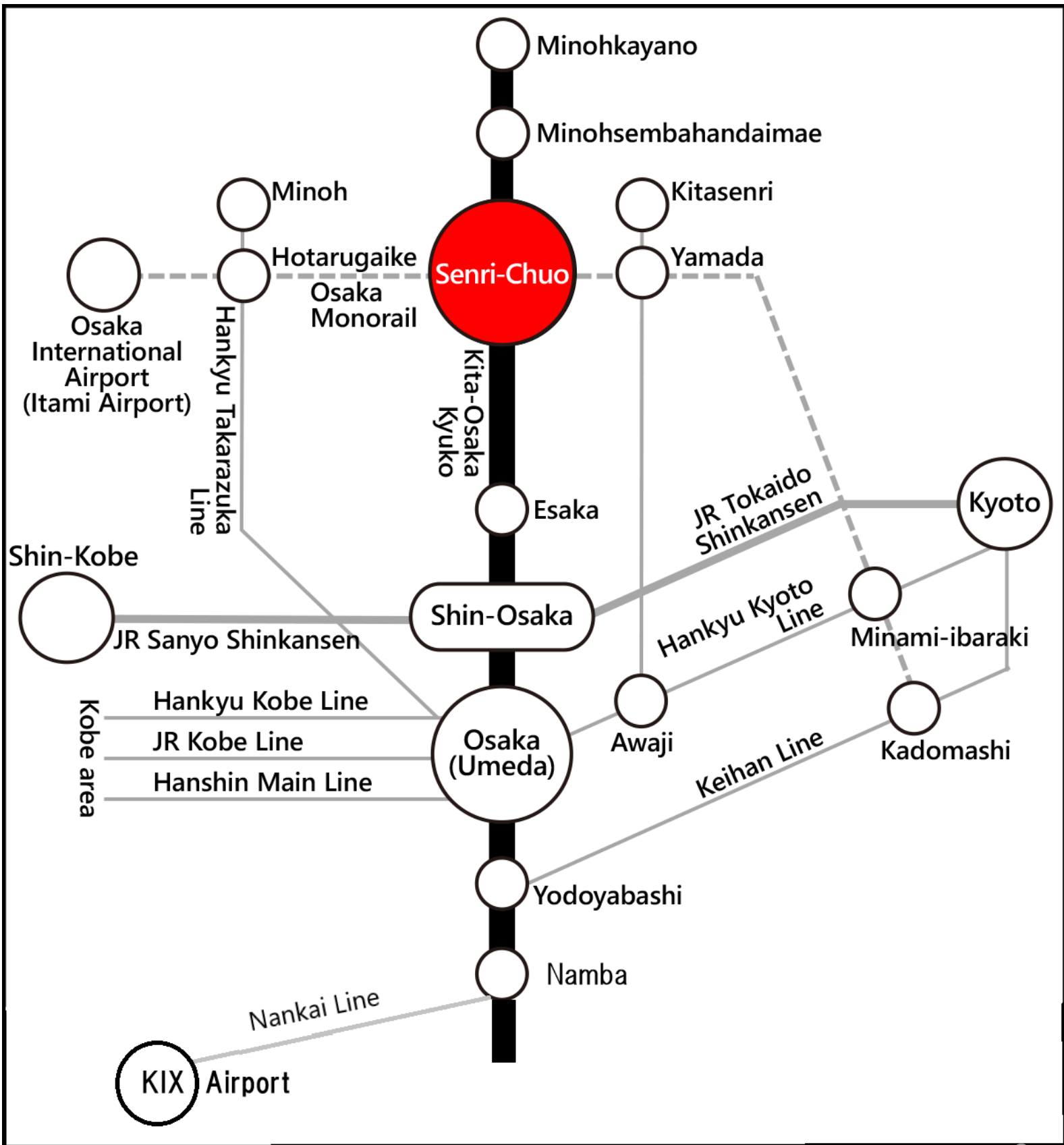
6th Floor: Parallel Sessions, Welcome Reception, Meals



Parallel Sessions: 601-602, 603-604

Meals: All meals except conference dinner will be served in Senri room and Science Hall.

TRANSPORT



TRANSPORT

When you come by air:

- **From Osaka International Airport (ITM)**

Take Osaka Monorail to Senri-Chuo Station

- **From Kansai International Airport (KIX)**

Several public transportation options are available to reach the Senri-Chuo area. Here are some examples:

1. Take a limousine bus from KIX to Osaka International Airport (ITM), then take Osaka Monorail to Senri-Chuo station.
2. Take JR train "Haruka" from KIX to JR Shin-Osaka station, then take Osaka Metro train from Shin-Osaka station (M13) to Senri-Chuo (M08) station.
3. Take Nankai Electric Railway train "Rapi:t" from KIX to Namba, then take Osaka Metro train from Namba station (M20) to Senri-Chuo (M08) station.
4. Take Nankai Electric Railway Airport Express train (no express fee or reservation required) from KIX to Namba, then take Osaka Metro train from Namba station (M20) to Senri-Chuo (M08) station.

When you come by train:

If you come to Osaka by Bullet Train (Shinkansen) , get off at Shin-Osaka station where you can take Osaka Metro to Senri-Chuo (M08) station.

GENERAL INFO

Registration

Please note that conference goodie bags and name tags can be collected from the registration counters on the 5th floor between March 10 and March 12. Name tags will be organized alphabetically by last name. Your name tag serves as your admission ticket for all sessions and receptions

Sessions

1. **Parallel session** is 100 minutes long and accommodates up to four presenters and **parallel compact session** is 75 minutes long and accommodates up to three presenters. Each presenter is allocated 25 minutes for the presentation, including time for Q&A and preparation time. (20 minutes presentation + 5 minutes for Q&A and switching presentation)
2. If there are fewer than three of four presenters in your session, please do not extend your presentation to fill the extra time.
3. **The session chair**, who is the last speaker of the session, is responsible for keeping the time and ensuring that each presenter stays within their allocated time.
4. **Before the session begins**, all presenters must upload their presentation slides (PDF or PowerPoint format) to the computer in the session room.
5. **Wifi**: ID and Password are shown on your name tag.

Please be aware of the following:

This WiFi service does not guarantee 100% internet availability or specific connection speeds. Users are responsible for configuring their own devices and network settings, as well as managing their own security settings and protections. The venue assumes no responsibility for any losses or damages resulting from use of this service, unexpected service interruptions, or network performance issues.

GENERAL INFO

The ESA condemns harassment, abuse of power and all forms of discrimination based on gender, ethnicity, race, sexual orientation, religious affiliation, age, national origin, disability status, or any criteria unrelated to scientific matters. It does not tolerate them from the authorities of the association, from its members or from anyone attending its conferences and workshops or engaged in the publication process in the journals of the society.

As defined by the American Economic Association, unacceptable behavior includes, but is not limited to:

- solicitation of emotional or physical intimacy despite expressions or indications that it is unwelcome;
- solicitation of emotional or physical intimacy accompanied by real or implied threat of personal or professional harm;
- intentionally intimidating, threatening, harassing, or abusive actions or remarks (both spoken and in other media);
- prejudicial actions or comments that undermine the principles of equal opportunity, fair treatment, or free academic exchange.

None of these restrictions are intended to stifle the open exchange and discussion of ideas; instead we aim to ensure that all members of the association are able to participate fully in such discussion.”

When members of ESA become aware of professional misconduct, harassment, discrimination, lewdness, or any form of unacceptable behavior in the context of events or activities organized or endorsed by the ESA, they may report it to any ESA points of contact. Contact points are the members of the ESA Executive Committee (see <https://www.economicscience.org/page/executive-committee>) and ESA mentors, as well as the ESA Ethics Officer (see <https://www.economicscience.org/page/committees>).

KEYNOTES



Muriel Niederle

Department of Economics, Stanford University

Decomposing the Winner's Curse

Monday, 10 March 2025 11:00– 12:00



Carlos Alos-Ferrer

Lancaster University Management School

Learning Preferences from Response Times: Applications to Surveys and Behavioral Anomalies

Tuesday, 11 March 2025 16:50 – 17:50



Pushkar Maitra

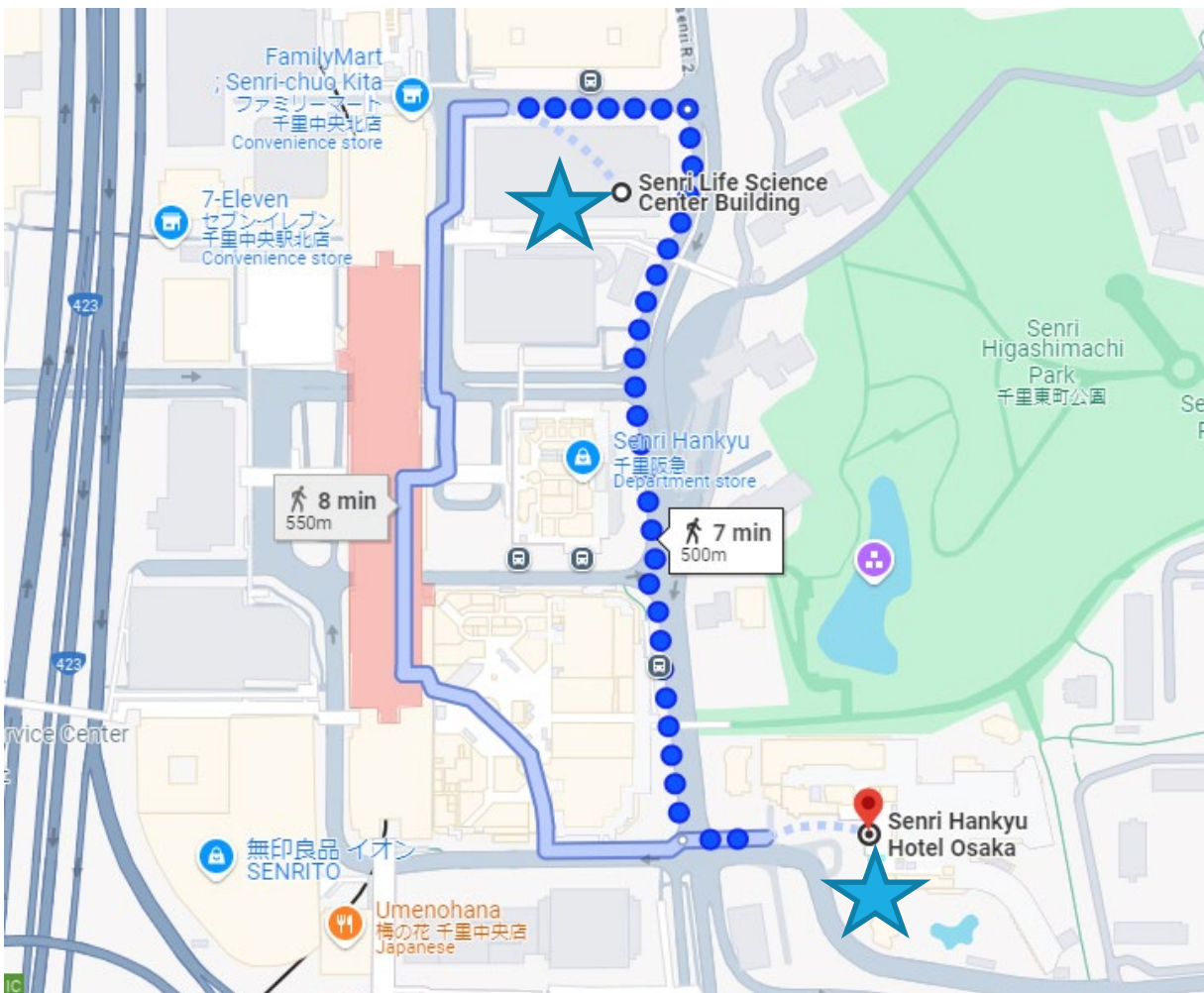
Department of Economics, Monash Business School,
Monash University

The Message, the Method and the Messenger: Advice in the Lab and in the Field

Wednesday, 12 March 2025 15:00 – 16:00

CONFERENCE DINNER

The conference dinner will be held Tuesday, 3/11, from 6:30pm until 8:30pm at **Senri Hankyu Hotel**.



It is a 7 minute walk from the conference venue.

Address: 2 Chome-1 Shinsenri Higashimachi, Toyonaka

Google Map: <https://maps.app.goo.gl/k92VTvUpr7yPPWFP9>

PROGRAM OVERVIEW

	TIME	EVENT
DAY 1: MONDAY MARCH 10	10:00	Registration
	10:30 - 10:50	Coffee 1
	10:50 - 11:00	Opening Remarks
	11:00 - 12:00	Keynote Presentation 1: Muriel Niederle
	12:00 - 13:00	Lunch, Mentoring Panel
	13:00 - 14:40	Parallel Session 1
	14:40 - 15:00	Coffee 2
	15:00 - 16:40	Parallel Session 2
	16:55 - 18:10	Parallel Compact Session 3
	18:10 - 20:00	Welcome Reception
DAY 2: TUESDAY MARCH 11	8:40 - 9:00	Coffee 3
	09:00 - 10:15	Parallel Compact Session 4
	10:15 - 10:45	Coffee 4
	10:45 - 12:00	Parallel Compact Session 5
	12:00 - 13:00	Lunch, Mentoring Panel
	13:00 - 14:40	Parallel Session 6
	14:40 - 15:00	Coffee 5
	15:00 - 16:40	Parallel Session 7
	16:50 - 17:50	Keynote Presentation 2: Carlos Alos-Ferrer
	18:30 - 20:30	Conference Dinner
DAY 3: WEDNESDAY MARCH 12	8:40 - 9:00	Coffee 6
	09:00 - 10:15	Parallel Compact Session 8
	10:15 - 10:45	Coffee 7
	10:45 - 12:00	Parallel Compact Session 9
	12:00 - 13:00	Lunch, Lab-2 semi plenary
	13:00 - 14:40	Parallel Session 10
	14:40 - 15:00	Coffee 8
	15:00 - 16:00	Keynote Presentation 3: Pushkar Maitra
	16:00 - 16:10	Closing

SESSIONS

Day	Time	Session	Session name	Room
Day 1: Monday March 10	10:00	Registration		Life Science Center 5 th Floor
	10:30 - 10:50	Coffee 1		Senri Room
	10:50 - 11:00	Opening Remarks		Life Hall
	11:00 - 12:00	Keynote Presentation 1: Muriel Niederle		Life Hall
	12:00 - 13:00	Lunch, Mentoring Panel Best practices and recent trends for successful publication		Senri Room, Science Hall
	13:00 - 14:40	Parallel Session 1	Institutions 1	501
			Rationality 1	502
			Environment 1	503
			Groups 1	601
			Labor 1	602
			Belief 1	603
			Risk 1	604
			Industrial Organization	Science Hall
	14:40 - 15:00	Coffee 2		Senri Room
	15:00 - 16:40	Parallel Session 2	Trust 1	501
			Bargaining 1	502
			Finance 1	503
			Health 1	601
			Methodology 1	602
			Norms 1	603
			Learning	604
			Political Economy 1	Science Hall
	16:55 - 18:10	Parallel Compact Session 3	Choice Process	501
			Other Regarding Preferences 1	502
			Market Design 1	503
			Gender and Discrimination 1	601
			Nudges 1	602
			Ambiguity 1	603
			Auctions 1	604
			Field Experiments 1	Science Hall
	18:10 - 20:00	Welcome Reception		Senri Room

SESSIONS

Day	Time	Session	Session name	Room
Day 2: Tuesday March 11	8:40 - 9:00	Coffee 3		Senri Room
	09:00 - 10:15	Parallel Compact Session 4	AI	501
			Gender and Discrimination 2	502
			Belief 2	503
			Charitable Giving 1	601
			Field Experiments 2	602
	10:15 - 10:45	Coffee 4		Senri Room
	10:45 - 12:00	Parallel Compact Session 5	Markets	501
			Belief 3	502
			Gender and Discrimination 3	503
			Information 1	601
			Ambiguity 2	602
			Networks	Science Hall
	12:00 - 13:00	Lunch, Mentoring Panel Similar and different challenges faced by researchers in different Asia Pacific Regions		Senri Room, Science Hall
	13:00 - 14:40	Parallel Session 6	Communication	501
			Coordination 1	502
			Nudges 2	503
			Risk 2	601
			Methodology 2	602
	14:40 - 15:00	Coffee 5		Senri Room
	15:00 - 16:40	Parallel Session 7	Political Economy 2	501
			Public Goods 1	502
			Auctions 2	503
			Groups 2	601
			Trust 2	602
			Macro & Finance	Science Hall
	16:50 - 17:50	Keynote Presentation 2: Carlos Alos-Ferrer		Life Hall
	18:30 - 20:30	Conference Dinner		Senri Hankyu Hotel

SESSIONS

Day	Time	Session	Session name	Room
Day 3: Wednesday March 12	8:40 - 9:00	Coffee 6		Senri Room
	09:00 - 10:15	Parallel Compact Session 8	Gender and Discrimination 4	501
			Belief 4	502
			Coordination 2	503
			Institutions 2	601
			Labor 2	602
			Information 2	603
			Market Design 2	604
			Norms 2	Science Hall
	10:15 - 10:45	Coffee 7		Senri Room
	10:45 - 12:00	Parallel Compact Session 9	Charitable Giving 2	501
			Public Goods 2	502
			Contests	503
			AI & Finance	601
			Repeated Games	602
			Other Regarding Preferences 2	603
			Environment 2	604
	12:00 - 13:00	Lunch, Lab-2 semi plenary		Senri Room, Science Hall
	13:00 - 14:40	Parallel Session 10	Bargaining 2	501
			Nudges 3	502
			Finance 2	503
			Health 2	601
			Other Regarding Preferences 3	602
			Rationality 2	603
			Complexity	604
	14:40 - 15:00	Coffee 8		Senri Room
	15:00 - 16:00	Keynote Presentation 3: Pushkar Maitra		Life Hall
	16:00 - 16:10	Closing		Life Hall

Keynote

Monday, 10 March 2025 11:00 - 12:00

Title: Decomposing the Winner's Curse

VENUE: Life Hall

Speaker: Muriel Niederle (Stanford University)

Abstract: One of the most prominent and most studied results in the common value auctions literature is the winner's curse: The fact that in auctions where each bidder has noisy information about the shared value of the object, the bidder who wins the auction often incurs a loss. There is a vast literature documenting its ubiquity and robustness. While experiments have been very successful in proving that individuals, even when experienced and sophisticated, fall prey to the winner's curse, it is largely an open question why individuals do so. Given the lack of empirical evidence on mechanisms, behavioral economists have provided a variety of theories. In this paper, we aim to provide the missing evidence on mechanisms. Namely, how important is each of the behavioral deviations from Nash equilibrium, how much do they contribute, and perhaps are there large parts that still need a new model? This type of experimental evidence can help refine behavioral theory and is crucial if we want to understand which tools will help individuals navigate economic situations and potentially help them make better decisions.

Keynote

Tuesday, 11 March 2025 16:50 - 17:50

VENUE: Life Hall

Title: Learning Preferences from Response Times: Applications to Surveys and Behavioral Anomalies

Speaker: Carlos Alos-Ferrer (Lancaster University Management School)

Abstract: Recent work has shown how to use response time data and choice frequencies to elicit preferences nonparametrically when choices are stochastic and distinguish the preferences of different groups. The techniques can be used to improve out-of-sample prediction, e.g. for risky choices, at the individual level. This talk reports on several recent works building upon these techniques. One important domain of application is the problem (so far unresolved) of separating behavioral anomalies (e.g., nontransitivities or heuristics) from noise-generated inconsistencies. The talk further shows how to apply the techniques to improve the analysis of survey data and determine whether a group (defined, e.g., by gender, age cohort, socioeconomic status, etc.) prefers an option over its alternative more than another group, even when individual choices are noisy, and without any assumptions on the noise.

Keynote

Wednesday, 12 March 2025 15:00 - 16:00

VENUE: Life Hall

Title: The Message, the Method and the Messenger: Advice in the Lab and in the Field

Speaker: Pushkar Maitra (Monash University)

Abstract: Many of the decisions we make are significantly shaped by advice from others. Despite this, limited research has explored whose advice we are more inclined to adhere to and how this influences social outcomes. In this talk I will discuss the results from three papers, which use different methodologies (lab experiment, lab-in-the-field survey experiment and observational data) and vary who provides the advice (the messenger), how the advice is transmitted (the method) and the content of the advice (the message). These studies imply that all three components play an important role in understanding how advice can improve outcomes for the society.

We have placed the lunch boxes for the mentor sessions that were researched in advance at the front of the 5th floor Science Hall. The rest of the lunch boxes are located in the 6th floor Senri Room, so please pick up your lunch from the appropriate location.

Panel #1: Best practices and recent trends for successful publication

VENUE: Science Hall

Panelists: Ernesto Reuben (New York University Abu Dhabi)
Agnieszka Tymula (University of Sydney)
Theo Offerman (University of Amsterdam)

Parallel Session 1 Monday, 10 March 2025 13:00 - 14:40

Institutions 1 (Room: 501)

Job Ads and Honesty in the Public Sector

Pompeo Monika (New York University Abu Dhabi)

Confucian Culture's Influence on Gender Gaps in Competition and Economic Outcomes

Lu Kelin (Huazhong University of Science and Technology)

Affirmative Action and Discriminatory Beliefs

Sofianos Andis (Durham University)

How do Politicians Know Which Colleagues to Trust? An Experimental Study

Serdarevic Nina (University of Bergen Affiliate) (Session Chair)

Rationality 1 (Room: 502)

Framing-induced emotions affect performance in simple cognitive tasks under risk

Rachubik Joanna (University of Warsaw)

Ambiguity Vulnerability

Je Hyundam (University of Sydney)

How General are Measures of Choice Consistency? Evidence from Experimental and Scanner Data

Liu Tracy Xiao (Tsinghua University)

Loss Aversion and Diminishing Sensitivity in a Riskless Choice: An Experiment with Two Real Goods

Mori Tomoharu (Ritsumeikan University) (Session Chair)

Environment 1 (Room: 503)

Climate change in the classroom

Carattini Stefano (Georgia State University)

Carbon inequality awareness, public support for carbon taxes, and low-carbon actions: Evidence from an online experiment

Gao Yu (Peking University)

Prosociality Predicts Environmental Behavior

Campos-Mercade Pol (Lund University)

Does the difference in buying-and-selling price induce rebound effects of electricity prosumers?

Maekawa Jun (Osaka University Economics and Law) (Session Chair)

Parallel Session 1 Monday, 10 March 2025 13:00 - 14:40 (Continued)

Groups 1 (Room: 601)

Eliciting Thresholds for Interdependent Behavior

Janas Moritz (NYU Abu Dhabi)

Exploring Normative Influence: National Identity and Descriptive Norms in Vaccination Decisions

Chiang Chun-Fang (NTU)

Honesty of groups: Effects of size and gender composition

Roider Andreas (University of Regensburg)

Source of Differences in Cooperative Behavior between Teams and Individuals

Okano Yoshitaka (Kansai University) (Session Chair)

Labor 1 (Room: 602)

Do Gender Quotas Shape Stereotypes? Experimental Evidence on the Representativeness Heuristic

Domnguez Jos Javier (University Ca' Foscari Venezia)

Beliefs about the Career Costs of Children and Family Formation

Kim Bongseop (Seoul National University)

Job rotation and workers' performance: Experimental evidence

ORTIZ JOSE MARIA (ZAYED UNIVERSITY) (Session Chair)

Why Behave like Sheep? Conforming with Peers and Authorities

Isler Ozan (University of Queensland) (Session Chair)

Belief 1 (Room: 603)

Expert decisions under pressure: Evidence from professional tennis

Peker Cem (NYU Abu Dhabi)

Heterogeneity and Flexibility in Reference Points

Yang Nanyin (University of Sydney)

Prior updated: The effect of prior confidence in updating

Chan Kenneth (University of California Santa Barbara)

Comparative Risk and Ambiguity Aversion across Information Sources

Wada Ryoko (Keiai University) (Session Chair)

Parallel Session 1 Monday, 10 March 2025 13:00 - 14:40 (Continued)

Risk 1 (Room: 604)

Eliciting Risk Attitudes through Risk Dominance

Herreiner Dorothea (Loyola Marymount University)

Do people choose the LOSS contract more than the GAIN contract?

Cheng Zexiyue (Osaka University)

Hungry and Rational: Preference Shifts and Rationality under Food Deprivation

Krause Jan S. (Kiel Institute for the World Economy)

Do as I Do: Paternalism and Preference Differences in Decision-Making for Others

Buckle Georgia (University of Portsmouth) (Session Chair)

Industrial Organization (Room: Science Hall)

Voluntary Disclosure of Cartel Information under Leniency Programs: Theory and Experiment

Kawamura Tetsuya (Tezukayama University)

Price Information Sharing and Collusion An Experiment

Kim Jeong Yeol (KDI School of Public Policy and Management)

Effort-maximising prize designs in team contests - An experiment

Liu Yang (University of Melbourne)

Deterring Collusion with Fines in Auction Experiments

Tsz Kwan Tse Tiffany (ISER, Osaka University) (Session Chair)

Parallel Session 2 Monday, 10 March 2025 15:00 - 16:40

Trust 1 (Room: 501)

Moral Decisions Across Time: Unraveling Consequentialist vs. Deontological Principles

Erkut Hande (WZB)

Costly Confessions and Lying Detection

Galeotti Fabio (Groupe d'Analyse et de Thorie Economique (CNRS))

Generosity after negative random shocks

Rodriguez-Lara Ismael (Universidad de Malaga)

Trust and Adoption of AI in the Public Sector

Ay F. Ceren (The Norwegian Tax Administration/ Norwegian School of Econ.)

Personality, Weak Signals, and Workplace Relevant Morality

Dickinson David (Appalachian State University) (Session Chair)

Bargaining 1 (Room: 502)

Job Appreciation, Redistributive Fairness & Bargaining: A laboratory experiment

Hue Jun (University of Oxford)

Third-Party Litigation Funding on Settlement: An Experimental Study

Chen Wei-Cheng (Academia Sinica)

Trust Across Contexts

Yamamoto Shohei (Hitotsubashi University)

Negotiation through the lens of cooperative game theory: males and females bargaining

Maggian Valeria (Ca' Foscari University of Venice) (Session Chair)

Finance 1 (Room: 503)

Overestimating Informed Traders: An Experimental Analysis of Investor Behavior and Security Mispricing

Kitamura Tomoki (Musashi University)

Pricing Asset Beyond Financial Fundamentals: The Impact of Prosocial Preference and Image Concerns

Draganac Dragana (University of Belgrade - Faculty of Economics and Business)

Nudging a second after

Lou Hanlin (University of New South Wales)

Do parents save more for a daughter or a son? Minorities, cultural norms, and economic incentives

Sade Orly (Hebrew University) (Session Chair)

Parallel Session 2 Monday, 10 March 2025 15:00 - 16:40 (Continued)

Health 1 (Room: 601)

Medical Surrogate Decisions: Responsible or Selfish Motivations

Luhan Wolfgang (University of Portsmouth)

Self-selection of Information and Belief Update: An Experiment on COVID-19 Vaccine Information Acquisition

Lin ChienHsun (National Taipei University)

Assessing the within individual consistency of survey and lab-based measurements of self-control

Wang Xueting (RMIT University)

From Spatial Mismatch to Strategic Placement: Evaluating the Locations of Senior Safety Zones

Shin Eun Jin (Sungkyunkwan University) (Session Chair)

Methodology 1 (Room: 602)

Measuring Conditional Cooperation: An Improved Method

Miklanek Tomas (Prague University of Economics and Business, Prague)

Don't look at them: Experimental evidence on the distribution of information and ability regarding trustworthiness inference from faces

Zylbersztejn Adam (University of Lyon, GATE CNRS)

High stakes, more mistakes? Belief elicitation and incentives

Coutts Alexander (York University)

How Experimental Economists Produce Research? Survey Insights

Toussaert Severine (University of Oxford) (Session Chair)

Norms 1 (Room: 603)

What You Don't Know May Hurt You: A Revealed Preferences Approach

Bolte Lukas (Carnegie Mellon University)

Morality Meets Risk: What Makes a Good Excuse for Selfishness

DONG Wanxin (Renmin University of China)

Signals of Consent

Michailidou Georgia (New York University Abu Dhabi)

Reciprocity in context: Does knowing how nice someone is to others make us more reciprocal to them?

te Velde Vera (University of Queensland) (Session Chair)

Parallel Session 2 Monday, 10 March 2025 15:00 - 16:40 (Continued)

Learning (Room: 604)

Can Social Epidemics be Reversed? An Experimental Test of the Overturning Principle

Zieglmeyer Anthony (Queen's Business School)

The Impact of Framing on Incentivized Creative Performance

Ezquerro Lara (University of the Balearic Islands)

Experimental Results on the Roommate Problem

Molis Elena (Universidad de Granada)

Policy Experiments on College Hierarchy

Koh Youngwoo (Hong Kong University of Science and Technology) (Session Chair)

Political Economy 1 (Room: Science Hall)

Judge or Vote? An Experimental Study of Majority Judgment

Kawagoe Toshiji (Future University - Hakodate)

Misperceptions of Social Norms in Corruption

Kitamura Shuhei (ISER, Osaka University)

⌋The effect of tax avoidance in voting decisions: a real-effort task experiment

Solano Garcia Angel (University of Granada)

Truth discernment and fact-checking

Bortolotti Stefania (University of Bologna) (Session Chair)

Parallel Session 3 Monday, 10 March 2025 16:55 - 18:10

Choice Process (Room: 501)

Autonomous better decisions: how to overcome choice overload with simple choice procedures

Campos Cid (The University of Sydney)

Employers' Discrimination against Fathers and Mothers Taking Parental Leave: Evidence from a Choice Experiment

Kasperska Agnieszka (University of Warsaw)

Deliberation and Differences Determine Difficult Decisions

Feldman Paul (Texas A&M University) (Session Chair)

Other Regarding Preferences 1 (Room: 502)

Testosterone and economic preferences

Dreber Anna (Stockholm School of Economics) (Session Chair)

Market Design 1 (Room: 503)

A Promise Mechanism to Improve Reputation Systems in Online Markets: Evidence from An Experimental Study

Xiao Erte (Monash University)

Correlation Neglect in College Admissions: Experimental Evidence

Zheng Jin Di (Huazhong University of Science and Technology)

Adding Private Information Into Centralized Algorithms: A Field Experiment at a Ride-Sharing Platform

Liang Yingzhi (The University of Texas at Dallas) (Session Chair)

Gender and Discrimination 1 (Room: 601)

Other-regarding ethnic discrimination

Sheng Yi (New York University Abu Dhabi)

Attention Cost of Unfair Treatment

Banko-Ferran Daniel (University of Pittsburgh)

A large-scale field experiment to disentangle sources of statistical discrimination in a social setting

Clochard Gwen-Jiro (ISER, Osaka University) (Session Chair)

Parallel Session 3 Monday, 10 March 2025 16:55 - 18:10 (Continued)

Nudges 1 (Room: 602)

'Intervention Effects of Nudges on Food Waste Reduction in Supermarkets and Changes in Consumer Purchasing Behavior'

SUE YUSUKE (Kochi University)

The Impact of Salience and Education on Disposition Effect: Evidence from a Randomized Controlled Trial

Ando Nozomi (Showa Women's University)

Good-Citizen Lottery

Kim Duk Gyoo (Sungkyunkwan University) (Session Chair)

Ambiguity 1 (Room: 603)

Belief Updating Under an Ambiguous and Asymmetric Information Structure: An Experimental Study

Lai En-Der (National Taiwan University)

The Foreign Language Effect and Volunteering under Ambiguity: A Volunteer's Dilemma Experiment

Wang Tse-Min (wangtsemin@gm.ntpu.edu.tw)

Virtual currencies in online gaming increase the willingness to pay for loot boxes: an experimental analysis

Di Guida Sibilla (IMT School of Advanced Studies, Lucca) (Session Chair)

Auctions 1 (Room: 604)

An Experimental Study of Second-Price Auctions with Buyout Options under Ambiguity: A Level-K Model Approach

Okada Tomohisa (Daito Bunka University)

Strategic Bidding in First-Price Sealed Bid Auctions: Comparing Induced Values and Real Goods

Offerman Theo (University of Amsterdam)

Jointly or Independently Clearing Market Design: Experimental Evidence

Liu Duan (The Interdisciplinary Center for Economic Science) (Session Chair)

Field Experiments 1 (Room: Science Hall)

Don't let your fruits rot: Leadership training in a grocery store

Haeckl Simone (University of Stavanger)

Consumer Preferences for Migrant and Native Workers: Evidence from a Large-Scale Experiment

Falco Paolo (University of Copenhagen)

Bystander Defending Behaviors in Workplace Cyberbullying: The Dehumanization and Social Presence Perspectives

LIU Ning (Beihang University) (Session Chair)

Parallel Session 4 Tuesday, 11 March 2025 09:00 - 10:15

AI (Room: 501)

AI in the Classroom: Barrier or Gateway to Academic and Labor Market Success?

Isaksson Siri (1986)

Consumer Trust in AI Delegation: The Role of Explainability and Anthropomorphism

DENG Zhixuan (HKUST (Guangzhou))

Willingness to Pay for AI to Detect AI.

Fu Yuhao (Osaka University) (Session Chair)

Gender and Discrimination 2 (Room: 502)

Gender Differences in the Effect of Endogenous Pairing on Competitive Behaviors

Tseng Wen Yu (National Taiwan University)

Borrowed Plumes: The Gender Gap in Claiming Credit for Teamwork

Walter-Dockx Anna (Vienna University of Economics and Business)

Gender bias in redistributive preferences

Jimenez Jimenez Natalia (Universidad Pablo de Olavide) (Session Chair)

Belief 2 (Room: 503)

Noise and Bias

Garagnani Michele (University of Melbourne)

Evaluating the Impact of Third-Party Intermediaries on the Disclosure Game

Tang Ruiqi (Waseda University)

The structure and gender gap of overconfidence

Li Xueheng (Sun Yat-sen University) (Session Chair)

Charitable Giving 1 (Room: 601)

Rebate versus Matching, Again: Does Self-selection Matter?

Sasaki Shusaku (Osaka University)

Beyond Commitment: Exploring the Role of Prosocial Incentives in Goal-Setting Effectiveness

Su Yuxin (SKEMA Business School)

Do Donors to Charity Really Not Care About Effectiveness?

Knowles Stephen (University of Otago) (Session Chair)

PROGRAM

Parallel Session 4 Tuesday, 11 March 2025 09:00 - 10:15 (Continued)

Field Experiments 2 (Room: 602)

Who is Deterred by Automated Screening Tools?

Vecci Joseph (Gothenburg University)

Enhancing the capital gains tax on property compliance: be precise, not graphical

Celik-Katreniak Dagmara (City, University of London)

Norms and Diversity: Evidence from NYUAD Residential Colleges

Zaccagni Sarah (Aarhus University) (Session Chair)

Parallel Session 5 Tuesday, 11 March 2025 10:45 - 12:00

Markets (Room: 501)

Label Uncertainty and Socially Responsible Market Behavior: An Experiment

Lai Ernest (Lehigh University)

Designing Markets: General Equilibrium and the Double Auction

Williams Brett (University of New South Wales)

Wisdom of the crowds versus experts - Evidence from experimental prediction markets

deretic momo (sauder school of business) (Session Chair)

Belief 3 (Room: 502)

Correlation neglect for a threshold signal

Kamijo Yoshio (Waseda University)

Talking across the aisle

Tripodi Egon (Hertie School)

The Effect of Contemporaneous Meat Consumption on Attitudes and Behaviors Towards Animal Welfare

Zhang Shanshan (Wuhan University) (Session Chair)

Gender and Discrimination 3 (Room: 503)

Performance-Feedback

Perry Ashley (NEW YORK UNIVERSITY ABU DHABI)

Gender Discrimination in Online Negotiations-Evidence from a Field Experiment

Adler Katharina (Friedrich-Alexander-University Erlangen-Nuremberg)

Gender Gaps in Social Status

Espinosa Maria Paz (University of the Basque Country) (Session Chair)

Information 1 (Room: 601)

Attention Utility: Evidence From Individual Investors

Quispe-Torreblanca Edika (Leeds University Business School)

Visual Attention and Herding: Insights from a Laboratory Asset Trading Game

Gao Mei (Shanghai International Studies University)

Information Disclosure in a Supermodular Game

Du Ninghua (Shanghai University of Finance and Economics) (Session Chair)

PROGRAM

Parallel Session 5 Tuesday, 11 March 2025 10:45 - 12:00 (Continued)

Ambiguity 2 (Room: 602)

Delay, Demand and Anticipatory Utility

Xu Lingguo (The University of Melbourne)

Gender-Specific Behavioral Responses to Time Pressure in Insurance Decisions: An Eye Movement Analysis

wang qian (Shanghai International Studies University, Songjiang Campus) (Session Chair)

On the Stationarity of Ambiguity Preferences

Schutt Christoph (Helmut-Schmidt University, Hamburg)

Networks (Room: Science Hall)

The Fragility of Reputation while Sustaining Cooperation

Horvath Gergely (Duke Kunshan University)

Bridging Individuals, Segregation and Cooperation: an Experimental Study

LIU FANG (Nanyang Technological University)

Gender stereotypes and homophily in team formation

Ductor Lorenzo (University of Granada) (Session Chair)

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Panel #2: Similar and different challenges faced by researchers in different Asia Pacific Regions

VENUE: Science Hall

Panelists: Eko Riyanto (Nanyang Technological University)
Tracy Liu (Tsinghua University ())
Erte Xiao (Monash University)
Syngjoo Choi (Seoul National University)
Joseph Tao-yi Wang (National Taiwan University)

Parallel Session 6 Tuesday, 11 March 2025 13:00 - 14:40

Communication (Room: 501)

Language and trade in artificial codes: The role of trade gains

Guo Yiting (Lingnan University)

Discrimination and Pre-game Communication: An Experimental Investigation

Wang Ding-Wei (National Taiwan University)

Observability of Disclosure Rule: an Experimental Analysis

Jin Ye (NYU Shanghai)

The impact of the layout of a meeting room on the extent of communication and the quantity of information exchanged

Sasaki Masaru (Osaka University) (Session Chair)

Coordination 1 (Room: 502)

Dissolving the Volunteer Dilemma: Theory and Experiment

Sudo Kento (Future University Hakodate)

Identity and Turn-taking in Groups

CHEN SIYU (Nanyang Technological University)

The Courtesy Game: Efficiency and Inequality

Meemann Christine (Helmut-Schmidt-University, Hamburg)

Coordination Within and Across Two Cultures

Shachat Jason (Durham University Business School) (Session Chair)

Nudges 2 (Room: 503)

Critical Women and Confident Men? Skills Perception and Investment at University

Chen Liqing (University of Technology Sydney)

Timing matters: Three-study test of the effects of debunking vs. prebunking on trust in disinformation

Šrol Jakub (Slovak Academy of Sciences)

Empathy as a persuader in debt collection

Huang Lidingrong (University of Verona)

Promoting eco-driving using personalized feedback and social comparison nudges: A randomized controlled trial of commercial vehicles in a business sector

Uetake Kaori (Osaka University) (Session Chair)

Parallel Session 6 Tuesday, 11 March 2025 13:00 - 14:40 (Continued)

Risk 2 (Room: 601)

The Power of Personal Control in Financial Risk Taking

Kent Danielle (The University of Sydney)

No hiding behind excuses in Public Goods Games

Arroyos-Calvera Danae (University of Birmingham)

Group Identity and Social Risk Preferences

Takeuchi Ai (Ritsumeikan University)

Risky Choice and Boundary Conditions

James Duncan (Fordham University) (Session Chair)

Methodology 2 (Room: 602)

The Virtual Subject: Exploring LLMs as Substitutes for Human Participants in Experimental Economics

Chen Wei James (National Taiwan University)

Order effects in eliciting preferences

Kopsacheilis Orestis (Technical University of Munich)

Incentive-Compatible Elicitation is Identification

Hu En Hua (University of Oxford)

Social Capital: Experimental validation of survey measures using a spatial comparative approach

Ostbye Stein (UiT The Arctic university of Norway) (Session Chair)

Parallel Session 7 Tuesday, 11 March 2025 15:00 - 16:40

Political Economy 2 (Room: 501)

Motivated Forecasts: Experimental Evidence from the Presidential Elections in Argentina

Marino Fages Diego (Durham University)

Enhancing Responsible Citizenship Through News Consumption: Insights from an Experiment on Newsfeed Composition

Adena Maja (WZB Berlin Social Science Center)

Why Behave like Sheep? Conforming with Peers and Authorities

Isler Ozan (University of Queensland)

Decision making in courts: An experimental study

Grosser Jens (Florida State University) (Session Chair)

The Allegiance Game

GUI Shan (Shanghai University of Finance and Economics)

Public Goods 1 (Room: 502)

Punishment and reward in multi-group resource appropriations: an experimental approach

Wakamatsu Mihoko (Tokyo University of Marine Science and Technology)

Valuing Private and Public Mortality Risk Reductions: A Survey Experimental Test

Liu Ao (Kyoto University)

Concealment to Protect: The Effects of Information on Higher-Order Punishment

FU Tingting (Beijing Jiaotong University)

Inequality and Cooperation

Kingsley David (University of Massachusetts Lowell) (Session Chair)

Auctions 2 (Room: 503)

SELLING ORDER MATTERS IN SEQUENTIAL AUCTIONS: EXPERIMENTAL EVIDENCE

Buyukboyaci Muruvvet (METU)

A Common Value Contest

Noussair Charles (University of Arizona)

Communication and information revelation in infinitely repeated auction experiment

Kobayashi Hajime (Faculty of Economics, Kansai University)

Focal Points in Experimental All-Pay and Winner-Pay Auctions with Similar Items

Wang Joseph Tao-yi (National Taiwan University) (Session Chair)

Parallel Session 7 Tuesday, 11 March 2025 15:00 - 16:40 (Continued)

Groups 2 (Room: 601)

The effect of migrant work on cooperative behavior: An experimental study in Nepal

Chen Roy (RWTH Aachen University)

Differential listening in diverse teams

Recalde Maria (U of Melbourne)

Gender Differences in Attribution Across Strategic and Non-Strategic Settings

Lozano Lina (New York University Abu Dhabi)

Rationality and Preference Aggregation of Group Decisions under Risk

Choi Syngjoo (Seoul National University) (Session Chair)

Trust 2 (Room: 602)

Narratives, Actions and Impact on Dishonesty

Burdea Valeria (LMU Munich)

Delegated bribery: An experimental study

Yang Yadi (Nanjing Audit University)

Discrete Choice under Oaths

Shogren Jason (UNIVERSITY OF WYOMING)

Loneliness and trust: evidence from a large-scale trust game experiment

Hopfensitz Astrid (emlyon business school and GATE) (Session Chair)

Macro & Finance (Room: Science Hall)

The Strategic Benefit of Information Sharing in Financial Markets: An Experiment

Eko Riyanto Yohanes (Nanyang Technological University)

Feedback Loops in Asset Prices: The Endogeneity of Stock Market Prices and Bank Runs

Choo Lawrence (University of Macau)

Trading on Hearsay: Influencers' Investment Horizon and Credible Information Sharing

Roy Nilanjan (City University of Hong Kong)

Experimental Evidence on Currency Competition in Integrated Economies

Zhang Cathy (Purdue University) (Session Chair)

Parallel Session 8 Wednesday, 12 March 2025 09:00 - 10:15

Gender and Discrimination 4 (Room: 501)

The negative effects of presuming gender bias when it does not exist

Thunstrom Linda (University of Wyoming)

Social Norm Obedience and the Gender Competitiveness Gap

Li Shuwen (WU Vienna)

WILLINGNESS TO LEAD IN PRECARIOUS TIMES AND THE GLASS CLIFF

Erkal Nisvan (University of Melbourne) (Session Chair)

Belief 4 (Room: 502)

Understanding (Dis)Trust in Managers

Neyse Levent (WZB; DIW)

Identifying the Models of Active Learning: an Experiment

Tayawa Jason (UNSW)

Observed Competence and Anchoring in Advice-Influenced Newsvendors

Endico Marxlen (National Cheng Kung University) (Session Chair)

Coordination 2 (Room: 503)

Migration and Coordination: An Experimental Study

Tan Jonathan (Nanyang Technological University)

Coordination on altruistic market with imperfect substitutes

Lorko Matej (University of Economics in Bratislava)

Trust on experts and tension on cooperation under stag hunt

Choi Ungtak (Georgia State University) (Session Chair)

Institutions 2 (Room: 601)

Meritocracy Around the Globe

Reuben Ernesto (Global Network Professor of Economics, NYU)

Exploring the influence of corrupt environments on tax evasion

Verbel Yuliet (University of Michigan)

Does Democratic Decision-making Process Enhance Cooperation Among Children and Adolescents?

Yan Jubo (Nanyang Technological University) (Session Chair)

Parallel Session 8 Wednesday, 12 March 2025 09:00 - 10:15 (Continued)

Labor 2 (Room: 602)

No Pain, No Gain - An Experiment on Skill Accumulation

Gunawardena Bhagya N. (RMIT University)

The Perceived Impact of current work–life balance on one’s financial future.

Lahav Eyal (The Open University of Israel)

Communication structures and their impact on intergroup cooperation and competition

Yeo Jonathan (Nanyang Technological University) (Session Chair)

Information 2 (Room: 603)

Can Communication Content Affect Consumer Satisfaction in the Claims Adjustment Process?

Byun Hae Won (Korea Insurance Research Institute)

Information Aggregation in Directed Networks

Pevnitskaya Svetlana (Independent research)

Willingness-to-Pay for Information and its Instrumental Value

Aoyagi Masaki (Osaka University) (Session Chair)

Market Design 2 (Room: 604)

Market performance and review system informativeness

Louis Philippos (University of Cyprus)

Separating Contingent from Thinking: On Non-truthtelling in Strategy-Proof Matching Mechanisms

Katuscak Peter (RWTH Aachen University)

Bundled School Choice

Huang Lingbo (Shandong University) (Session Chair)

Norms 2 (Room: Science Hall)

Moral education and child development: A randomized controlled trial in Japan

Zvedelikova Mirka (ISER, Osaka University)

The role of justice concerns in the perception of air pollution reduction programs: a factorial survey experiment.

Boros Anna (University of Warsaw)

Peer Evaluations: Exploiting Truthtelling as a Social Norm (the Power of Truthiness)

Wooders John (NYU Abu Dhabi) (Session Chair)

Parallel Session 9 Wednesday, 12 March 2025 10:45 - 12:00

Charitable Giving 2 (Room: 501)

Understanding Refugee-Host Relations through Misperceptions about Intergroup Generosity

Jiang Wenrui (Kyoto University)

Register or not: transaction costs and willingness to donate

Brokesova Zuzana (University of Economics in Bratislava)

Impact, Inspiration, or Image: On the Trade-Offs in Pro-Environmental Behaviors

Simon Sven (Max Planck Institute for Tax Law and Public Finance) (Session Chair)

Public Goods 2 (Room: 502)

Valuing the Invisible: Economic Assessment of Cultural Heritage Through Stated Preference Valuation Methods

Jusypenko Bartosz (University of Warsaw)

When to feed the Leviathan: Tradeoffs between efficiency, fairness, and the intrinsic value of decision rights

Liu Manwei (Nanjing Audit University)

The endowment effect in public goods game experiments -The role of warm glow-

Osaki Yusuke (Waseda University) (Session Chair)

Contests (Room: 503)

Peace and War: How Economic Prospects Drive Conflictuality

Jiang Shuguang (Shandong University)

Ambiguous Contests

Deck Cary (University of Alabama)

Feedback Policies and Sunk Costs in Dynamic Contests

Zeidel Jeffrey (New York University, Abu Dhabi) (Session Chair)

AI & Finance (Room: 601)

Empowering Consumers: An Experimental Study of Human and AI Guidance in Insurance Decision-Making

Tianjiao Xia (Shanghai International Studies University)

Are consumer financial decisions too hard? The case of credit cards

Lee Michelle (The University of Melbourne)

Preferences for Explainable AI in Algorithmic Trading: An Empirical Survey

Łaniewski Stanisław (University of Warsaw) (Session Chair)

Parallel Session 9 Wednesday, 12 March 2025 10:45 - 12:00 (Continued)

Repeated Games (Room: 602)

Cool way to increase the sample size and variation of economic experiments: Applying the 'ICE' method to a public good

Yi Weicheng (Graduate School of Economics, Waseda University)

Exploring the Interplay of Role Uncertainty and Punishment Level in Repeated Cheap Talks

Huang Jinyuqi (LSK School of Business, HKUST)

Face Communication in Repeated Interactions

Oudah Mayada (NYUAD) (Session Chair)

Other Regarding Preferences 2 (Room: 603)

Modelling Preferences for Power Over Others

Gidseg Moira (University of Arizona)

Reciprocity in Lying for Others

Maniadis Zacharias (University of Cyprus)

Social Capital and Preferences across Time: Trustlab Japan

Okaki Masao (Faculty of Economics, Doshisha University) (Session Chair)

Environment 2 (Room: 604)

Goal Setting and Task-Based Incentives: A Field Experiment on Electricity Conservation

Chuang Yating (Academia Sinica)

Interactive Effects of Subjective Beliefs and Objective Information: Theory and Experimental Evidence from Agriculture

Lin Yu-Hsuan (The Catholic University of Korea) (Session Chair)

Intergenerational democracy for sustainable resource allocation

You Jung (California State University, East Bay) (Session Chair)

Critical Women and Confident Men? Skills Perception and Investment at University

Chen Liqing (University of Technology Sydney) (Last speaker)

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Introduction to Lab2: Incubator for Collaborative and Transparent Economic Sciences

VENUE: Science Hall

Panelists: Levent Neyse (WZB; DIW)
Anna Dreber (Stockholm School of Economics)
Séverine Toussaert (University of Oxford)
Taisuke Imai (Osaka University)

Parallel Session 10 Wednesday, 12 March 2025 13:00 - 14:40

Bargaining 2 (Room: 501)

Break the Norm: Bargaining with Preselected Division Rules

Pham Tuan Vinh (Waseda University, Graduate School of Economics)

Cancellation Clauses and Hold-up with Incomplete Contract: Theory and Experimental Evidence

Lai Chien-Yu (886-2-3366-8348)

Behavioral responses to pay transparency: Experimental evidence

Yuan Huaiping (The Chinese University of Hong Kong, Shenzhen)

Exclusionary Bargaining Behavior in 14 Countries: Prevalence and Predictors

Baranski Andrzej (NYU Abu Dhabi) (Session Chair)

Nudges 3 (Room: 502)

Privacy and Advertising Preferences in VoD Settings-The Role of Privacy Concerns, Persuasion Knowledge, and Experience

Palinski Michael (University of Warsaw)

Closing the Gender Gap in Willingness to Contribute Ideas: A Lean-in Intervention

Chen Josie I (National Taiwan University)

The Dark Tetrad and Leadership Selection

Murad Zahra (University of Portsmouth)

Do reminders improve survey response and mitigate selection bias? An field experiment

Song Fei (Toronto Metropolitan University) (Session Chair)

Finance 2 (Room: 503)

The transmission of economics beliefs into housing markets

Tichy Tomas (Technical University of Ostrava)

The Interaction of Memory Imperfections

Quint Marcel (LMU Munich)

Pure Altruism or Pursuing Warm-glow? The Altruistic Motive and its Gender Difference in Socially Responsible Investment

Chen Shu (Shanghai International Studies University)

Underpricing in the IPO market with sentiment traders: An experimental study

Nakaizumi Takuya (Kanto Gakuin University Faculty of Economics) (Session Chair)

Parallel Session 10 Wednesday, 12 March 2025 13:00 - 14:40 (Continued)

Health 2 (Room: 601)

Localized Mediterranean Diet Intervention for Human Health Optimization and Behavioral Change

Seres Gyula (National University of Singapore)

Nudges for COVID-19 vaccine hesitant population are effective

Moeller Jakob (Wirtschaftsuniversität Wien)

Reference-dependence and mood: anhedonia and feeling down are associated with divergent reference points

Svenson Alexander (The University of Sydney)

Taste or Test? Experimental Evidence on Improving Household Demand for Water Quality Testing in India

Mukherjee Shagata (Centre for Social and Behaviour Change, Ashoka University) (Session Chair)

Other Regarding Preferences 3 (Room: 602)

Being in a Group, No Guilty Feelings Anymore for the Opponent: An experimental study of guilt aversion in group decision

Mitani Yohei (Kyoto University)

Uncertainty Principle of Human Dishonesty

Sohn Jin-yeong (Dongbei University of Finance and Economics)

Can Inequality Aversion Explain Upstream Indirect Reciprocity?

Miura Takahiro (Wakayama University)

Emotional Arousal and Behaviour toward Risk: Further Examination Using VR (Virtual Reality) and Biometric Data

Thomas Stephanie (Saint Mary's University) (Session Chair)

Rationality 2 (Room: 603)

When Transparency Fails: How Altruistic Framing Sustains Illusions of Predictability Despite Complete Information?

Zhang Xiaojie (Nanyang Technological University, Singapore)

Economics Rationality and Choice Consistency across Risk, Time, Social, and Health Domains

Li Flora (Guangdong Institute of Intelligence Science and Technology)

Self-Control and Problem Gambling

Mizen Nicholas (Life Courses Centre)

Optimal utility

Tymula Agnieszka (University of Sydney) (Session Chair)

PROGRAM

Parallel Session 10 Wednesday, 12 March 2025 13:00 - 14:40 (Continued)

Complexity (Room: 604)

Testing Concepts of Simplicity in Mechanism Design

Dianat Ahrash (University of Essex)

Correlation Neglect and Narratives in the Ageing Aociety

Celadin Tatiana (University Ca'Foscari of Venice)

Errore Calculi or Calculated Error: Dishonesty in Complex Environments

Nieder Pascal (Max Planck Institute for Tax Law and Public Finance)

How people learn complexity? An experiment on the Dirty Face problem

Festré Agnès (Universit Cte d'azur) (Session Chair)

Abstracts for Parallel Session 1

Institutions 1 (Room: 501)

Title: Job Ads and Honesty in the Public Sector

Speaker: Pompeo Monika (New York University Abu Dhabi)

Abstract:

This research investigates how the perceived potential for rent extraction and the prosocial nature of a workplace influence individuals' decisions to apply for specific job positions within the public sector. We run a lab-in-the-field experiment with university students with varying levels of dishonesty and prosociality, presenting them with a series of five job advertisements, only one of which was genuine. The experiment manipulates the perceived opportunities for unethical gain and the altruistic nature of these fictional positions to observe variations in application behavior. Contrary to evaluating the attractiveness of job positions, our primary measure is the actual decision to apply or not. Our main objective is to observe how the different perceptions when it comes to prosociality and rent extraction possibilities influence the composition of the applicants' pool in terms of prosociality and dishonesty, as measured by a dice-rolling game.

Institutions 1 (Room: 501)

Title: Confucian Culture's Influence on Gender Gaps in Competition and Economic Outcomes

Speaker: Lu Kelin (Huazhong University of Science and Technology)

Abstract:

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Institutions 1 (Room: 501)

Title: Affirmative Action and Discriminatory Beliefs

Speaker: Sofianos Andis (Durham University)

Abstract:

The goal of our study is to understand to what extent affirmative action beneficiaries are penalized by their affirmative action status, irrespective of their performance/competence. We have examined this question through an online experiment conducted with university students in India. Our experiment builds on existing literature (eg. Heilman, Block and Stathatos, 1997, Academy of Management Journal among others), who show that managers in the US tend to rate female affirmative action hires less well and recommend lower salary increases than for women hired without affirmative action or for men. Given the context of affirmative action, or reservations in India, we have been able to go a step further in the understanding of how identity interacts with the perception of affirmative action beneficiaries. We make use of the fact that affirmative action in India is not only based on a caste (SC-ST), but also based on income (EWS), to study whether the perception of the competence and the allocation of the rewards depends on the criteria on which affirmative action is based. We also study whether the allocation of rewards depends on the identity and the characteristics of those who were potentially harmed by affirmative action, i.e. those who were not selected for reward because of affirmative action. We find that generally affirmative action beneficiaries are penalised in terms of perceptions of ability, especially so for affirmative action based on caste. Surprisingly, when distributing rewards, affirmative action beneficiaries are rewarded despite the clear effect on lower perceptions of ability.

Abstracts for Parallel Session 1 (Continued)

Institutions 1 (Room: 501)

Title: How do Politicians Know Which Colleagues to Trust? An Experimental Study

Speaker: Serdarevic Nina (University of Bergen Affiliate)

Abstract:

We explore the role of reputation and experience in elite bargaining. We field a novel ultimatum game experiment to 1,500 Norwegian politicians. Our pre-registered hypotheses expect participants to be more generous/cooperative towards colleagues with trustworthy reputations and more experience. We find partial support for the effect of reputation treatment, but no effect for experience. We discuss some potential explanations for these patterns.

Rationality 1 (Room: 502)

Title: Framing-induced emotions affect performance in simple cognitive tasks under risk

Speaker: Rachubik Joanna (University of Warsaw)

Abstract:

In this study, we investigated how performance in a number of puzzles (decisions under risk) depended on the framing. The puzzles, drawn and adapted from existing literature, were designed to expose well-established cognitive biases could lead respondents to select intuitive yet incorrect answer. Subjects were randomly assigned to one of three treatments: a third of the sample saw puzzles framed in terms of COVID-19, another third about a common cold, and the remaining group about unemployment. Across five continents, we collected over 8,000 observations. We found that framing of the puzzles affected performance, prompting questions regarding the external validity of these puzzles. Treatments associated with more severe threats, such as COVID and Unemployment, elicited stronger (negative) emotions compared to the common cold. Moreover, these emotional reactions were also linked to performance, and their levels correlated negatively with the number of correctly solved puzzles.

Rationality 1 (Room: 502)

Title: Ambiguity Vulnerability

Speaker: Je Hyundam (University of Sydney)

Abstract:

We empirically investigate a new notion: ambiguity vulnerability. Ambiguity vulnerability posits that individuals exhibit greater risk aversion in their decisions when faced with a background (beyond an individual's control) prospect that has unknown probabilities (background ambiguity) than one with known probabilities (background risk). We find empirical evidence of ambiguity vulnerability, with individuals investing 11% less when faced with background ambiguity compared to background risk. We empirically explore the relationship between utility shape and risk and ambiguity vulnerability and find that participants with both decreasing and non-decreasing risk aversion exhibit risk vulnerability.

Abstracts for Parallel Session 1 (Continued)

Rationality 1 (Room: 502)

Title: How General are Measures of Choice Consistency? Evidence from Experimental and Scanner Data

Speaker: Liu Tracy Xiao (Tsinghua University)

Abstract:

While rationality has been commonly assumed and measured in various settings, an unexplored question arises regarding the extent to which individuals with high rationality scores in one setting would exhibit high scores in another setting. This study investigates the consistency of rationality measures using revealed preference techniques. We combine budgetary decisions in the lab and food decisions in the field based on scanner data to measure the rationality of individual consumers in a large grocery store. We show that the rationality score for risky decisions in the lab is uncorrelated with that of food decisions in the field. By contrast, the rationality scores are correlated both across tasks in the lab and across food categories and time periods in the field. Both behavioral and contextual factors may underlie such multi-dimensional rationality across context.

Rationality 1 (Room: 502)

Title: Loss Aversion and Diminishing Sensitivity in a Riskless Choice: An Experiment with Two Real Goods

Speaker: Mori Tomoharu (Ritsumeikan University)

Abstract:

This study explores the impact of reference points on decision-making through a laboratory experiment utilizing real goods (chocolate and juice). The experimental design closely replicates the decision-making framework presented by Tversky and Kahneman (1991). Structural estimation results reveal that both loss aversion and diminishing sensitivity were observed among a portion of the participants. While the median value of the loss aversion parameter (λ) was 1, 38% of the participants had a λ exceeding 1.1, and 16% exhibited a λ greater than 2. Regarding diminishing sensitivity, the median curvature of the utility function in the gain domain was approximately 0.7, indicating diminishing sensitivity. In contrast, while the median curvature in the loss domain was 1, the mean was around 0.7, suggesting that some participants exhibited diminishing sensitivity in this domain as well.

Environment 1 (Room: 503)

Title: Climate change in the classroom

Speaker: Carattini Stefano (Georgia State University)

Abstract:

Knowledge gaps and biased beliefs concerning both climate change and climate policy represent a major obstacle to the decarbonization process. Climate education may represent a scalable solution to address such biased beliefs. In the context of a nationwide reform of the secondary school curriculum in Italy, we built a course on climate change and climate policy and implemented a field experiment training thousands of teachers on climate change and policy in a staggered fashion. At baseline and endline we collected survey data on teachers, students, and parents to examine starting knowledge, attitudes, behaviors, perceptions, and preferences and how such outcomes vary following exposure to climate education. Our study highlights important initial knowledge gaps and provides evidence on the ability of climate education to address biased beliefs at scale.

Abstracts for Parallel Session 1 (Continued)

Environment 1 (Room: 503)

Title: Carbon inequality awareness, public support for carbon taxes, and low-carbon actions: Evidence from an online experiment

Speaker: Gao Yu (Peking University)

Abstract:

The interconnected crises of climate breakdown and inequality are among the most urgent issues in today's world. Carbon inequality, where the wealthiest individuals contribute disproportionately to carbon emissions, is a significant factor in these crises. This research aims to explore and enhance public understanding of carbon inequality, particularly focusing on how increased awareness of this issue influences public support for carbon taxes and low-carbon actions. We conducted a pre-registered large-scale online experiment in China, a country with pronounced carbon inequality and a significant contributor to global carbon emissions. The study's objectives were to assess public perceptions of carbon inequality, investigate the impact of correcting these perceptions on support for carbon tax policies, explore the influence on low-carbon actions, and examine the role of perceived fairness in shaping these responses. Our findings indicate that the public generally underestimates carbon inequality. When provided with accurate information about this issue, there was no significant increase in support for non-rebate carbon tax policies. However, support for rebate carbon tax policies increased, suggesting that integrating equity in policy design is crucial. The perceived fairness of the policy emerged as a key mechanism driving these effects. Interestingly, exposure to accurate information about carbon inequality led to a reduction in both the willingness to engage in and the practice of low-carbon actions, although this effect was not statistically significant. Furthermore, individuals with lower initial awareness of carbon inequality showed a greater increase in support for carbon tax policies.

Environment 1 (Room: 503)

Title: Prosociality Predicts Environmental Behavior

Speaker: Campos-Mercade Pol (Lund University)

Abstract:

Many individual behaviors, such as burning fossil fuels and producing waste, impose negative externalities on others. Standard economic theory assumes that individuals ignore these externalities. In an incentivized study with a general population sample in Sweden (N=3,552), we show that a large majority of people are reluctant to impose negative externalities on others for their own benefit. We link this experimental measure of prosociality with administrative data on household waste production and find a negative association between prosociality and waste generation, and a positive association with waste sorting. Using rich survey data, we find that prosociality explains a wide range of pro-environmental behaviors such as recycling, lowering indoor temperature, reducing air travel, and consuming eco-friendly products. Additionally, data on impact perceptions of various pro-environmental behaviors indicate that the correlation between prosociality and a given behavior is stronger when the perceived impact of that behavior is higher. Our findings indicate that people do consider the externalities of their environmental actions, reinforcing recent theoretical advances showing that the effectiveness of environmental policies may depend on the population's level of prosociality.

Environment 1 (Room: 503)

Title: Does the difference in buying-and-selling price induce rebound effects of electricity prosumers?

Speaker: Maekawa Jun (Osaka University Economics and Law)

Abstract:

Rebound effect is known as a phenomenon to increase electricity consumption, relative to the expected decrease in consumption, after installing energy-efficient equipment. The empirical question of whether the households that installed solar PV generation system would show rebound effect or not had been extensively analyzed, mostly empirically, in the recent literature and the results had been mixed. In this manuscript, we focus on the difference between the buying and selling price of electricity. In most countries the former is larger than the latter, therefore it is difficult to analyze the effects of the existence of the price differences using field data. Using theory and laboratory experiment, we investigate how the price difference affects the rebound effect after an installation of solar PV generation. We provide a model to analyze the prosumer's electricity consumption behavior considering the difference in the buying and selling price and find that the price difference causes rebound effects. This theoretical finding was supported by the results from a laboratory experiment.

Abstracts for Parallel Session 1 (Continued)

Groups 1 (Room: 601)

Title: Eliciting Thresholds for Interdependent Behavior

Speaker: Janas Moritz (NYU Abu Dhabi)

Abstract:

Threshold models have been widely used to analyze interdependent behavior, yet empirical research identifying people's thresholds is nonexistent. We introduce an incentivized method for eliciting thresholds and use it to study support for affirmative action in a large, stratified sample of the U.S. population. Most Asian, Black, Hispanic, and White men and women condition their support for affirmative action on the number of others supporting it. In line with preregistered hypotheses, thresholds are influenced by one's perceived benefits and pressure to conform. We demonstrate how our method can offer unique insights for policy design and enhance our understanding of social dynamics.

Groups 1 (Room: 601)

Title: Exploring Normative Influence: National Identity and Descriptive Norms in Vaccination Decisions

Speaker: Chiang Chun-Fang (NTU)

Abstract:

Previous studies have shown that norm-based messages can either promote or fail to induce pro-social behavior. In this study, we investigate the roles of national identity, descriptive norms, and injunctive norms in vaccination decision-making by conducting a survey experiment during the COVID-19 pandemic in Taiwan. In addition to messages featuring descriptive norms, we designed one message aimed at enhancing national identity/national pride and another that explicitly frames vaccination as a new social norm. Our findings reveal that the national identity message is as effective as the descriptive norms message that uses the same age group as the reference. However, the injunctive norm message had no effect, or even a backlash effect, on vaccination decisions.

Groups 1 (Room: 601)

Title: Honesty of groups: Effects of size and gender composition

Speaker: Roeder Andreas (University of Regensburg)

Abstract:

This paper studies unethical behavior by groups and provides systematic evidence on how lying decisions are affected by group size and group gender composition. We conduct an online experiment with 1,677 participants (477 groups) where group members can communicate with each other via a novel video chat tool. Our key findings are that (i) larger groups lie more, (ii) all-male groups stand out in their proclivity to lie, (iii) already the first female in a group causes an honesty shift, and (iv) group behavior cannot be fully explained by members' individual honesty preferences.

Abstracts for Parallel Session 1 (Continued)

Groups 1 (Room: 601)

Title: Source of Differences in Cooperative Behavior between Teams and Individuals

Speaker: Okano Yoshitaka (Kansai University)

Abstract:

This paper compares the cooperative behavior of two-person teams with that of individuals in a public goods experiment. We measure subjects' social value orientation and cooperation due to confusion to examine why team behavior differs from individual behavior. The main findings of the experiments are: (1) Teams contribute less to the public good than individuals, (2) The amount that teams contribute to the public good out of confusion is less than half of what individuals contribute, and (3) In the first period, prosocial individuals and prosocial teams (composed of two prosocial individuals) contribute about half of their endowments to the public good, while proself individuals, proself teams (composed of two proself individuals), and mixed teams (composed of one prosocial individual and one proself individual) contribute significantly less.

Labor 1 (Room: 602)

Title: Do Gender Quotas Shape Stereotypes? Experimental Evidence on the Representativeness Heuristic

Speaker: Domnguez Jos Javier (University Ca' Foscari Venezia)

Abstract:

Gender quotas have been proposed as a mechanism to address disparities in labor market outcomes within traditionally male-dominated sectors. This policy is associated with positive effects such as increased female employment, greater female self-selection into competitive roles, and more efficient selection processes. However, experimental studies have revealed potential negative impacts, including instances of women becoming targets of workplace sabotage and being assigned to lower-promotability tasks following the implementation of such policies. We hypothesize that decision-makers may perceive women as less competent when they benefit from gender quotas, potentially exacerbating stereotypes about women's abilities in certain contexts. To investigate this hypothesis, we conducted an online experiment involving 753 participants, exploiting the experimental design introduced by Bordalo et al. (2016) and studying the representativeness heuristic as a proxy for stereotype formation. Participants were shown an image for 10 seconds, depicting the gender composition of candidates selected by a firm to perform a logical and mathematical task. The image featured 25 men and 25 women wearing differently colored shirts, each color representing a different skill level. Participants were asked to estimate the number of shirts representing highly skilled women, providing an approximation of their perception of women's abilities. In the quota condition, participants were informed that the balanced gender composition resulted from a government-imposed quota policy. In control condition, no information about quotas was disclosed. Our findings indicate no overall effect of the quota policy on perceptions of women's skills. However, we observed a negative effect of quotas among female participants, particularly those from countries with lower gender equality indexes. This experiment sheds light on a potential mechanism underlying the previously observed negative effects of gender quotas. It underscores the importance of considering contextual factors, such as national gender equality standards, in understanding the implications of policy interventions aimed at addressing gender disparities in the labor market. Bordalo, P., Coffman, K., Gennaioli, N., & Shleifer, A. (2016). Stereotypes. *The Quarterly Journal of Economics*, 131(4), 1753-1794.

Labor 1 (Room: 602)

Title: Beliefs about the Career Costs of Children and Family Formation

Speaker: Kim Bongseop (Seoul National University)

Abstract:

While existing literature emphasizes that the career costs women face due to childbearing are key drivers of fertility in high-income countries, there are few empirical studies explicitly investigating how individuals make fertility decisions accounting for work-family compatibility. Using a representative sample of South Korean workers, we conduct an online survey to examine the relationship between the individual's beliefs about the career costs of having children and family formation plans. We also conduct an information provision experiment to examine how providing objective information about the true probability of women continuing to work post-childbirth affects changes in beliefs and family formation plans. We find that female respondents overestimate the career costs of having children in Korea and have pessimistic beliefs about their own career prospects after childbirth. These beliefs are strongly related to their family formation plans, especially among those with positive current career prospects and higher incomes. We also find that male respondents with lower incomes have pessimistic beliefs about their spouse's career prospects after childbirth, and these beliefs are strongly related to their family formation plans. However, the provision of information does not affect family formation plans overall, as respondents interpret the information negatively in an unexpected way. Overall, this study offers valuable insights into the role of beliefs and information in family formation decisions.

Abstracts for Parallel Session 1 (Continued)

Labor 1 (Room: 602)

Title: Job rotation and workers' performance: Experimental evidence

Speaker: ORTIZ JOSE MARIA (ZAYED UNIVERSITY)

Abstract:

Financial incentives have been proven to be an effective way to boost worker productivity. However, these financial incentives are not always ideal motivators. As a consequence, non-monetary incentives have been explored as an alternative for enhancing worker's motivation and performance. In this paper, we investigate a novel non-monetary incentive system. We experimentally test whether task rotation increases productivity. Especially, when the rotation choice is presented as a prize when workers win a ranked tournament. In our baseline, participants are allocated to a seven-people group with one manager and six workers. The worker is paid a fixed \$20 and randomly assigned to do a real-effort task: i) finding letters, and ii) adding-up numbers. The payoff of the manager depends on the performance of the worker. In our main treatment, workers compete for the possibility of choosing the task they want to perform. The highest performer in each task has the chance to decide whether she wants to keep doing the same activity or to switch to a different one. We also include to intermediate treatments: in the competitive treatment, workers receive their relative ranking in their task, without any further implications; in the exogenous rotation treatment, workers are forced to switch task every period. Our results show that tying task rotation to workers' performance is an effective tool to motivate workers to work longer, which leads to an increase in productivity. We also find that the positive effect of the tournament system for task rotation remains stable over time. Finally, we find that rotation decreases over time, suggesting that tournament winners tend to stay in their preferred task.

~~Labor 1 (Room: 602)~~

~~**Title:** Why Behave like Sheep? Conforming with Peers and Authorities~~

~~**Speaker:** Isler Ozan (University of Queensland)~~

~~**Abstract:**~~

~~We study whether and why compliance with peers and authorities can persist despite clear disadvantages and lack of informational mechanisms. Using a simple binary choice task between a conformist and non-conformist option, we conducted four preregistered online experiments (N = 2,036) with representative samples of the U.S. population. The conditions varied the source of compliance (peer behavior, authority rules, or authority requests) and its costs (zero, trivial, or non-trivial). We also assessed participants' understanding, attention, and reasoning behind their choices. Over 90% of participants complied with the authority-given rule when this had no cost. Even with a non-trivial cost and excluding participants who may have misunderstood the instructions or who were inattentive, around 60% of participants conformed. However, we found no evidence of a pure preference for peer conformity. Less than 50% of participants followed the choice of a peer at zero cost (i.e., less frequently than random choice). Even with a trivial cost or as many as six peers engaged in the same action, peer compliance remained below 12% and indistinguishable from control treatments without peer information. Our results show widespread compliance with authority rules and requests, while peer effects appear driven by factors beyond a pure preference for conformism.~~

Belief 1 (Room: 603)

Title: Expert decisions under pressure: Evidence from professional tennis

Speaker: Peker Cem (NYU Abu Dhabi)

Abstract:

This paper explores if experts make inferior decisions when they are under pressure. Previous work finds evidence of 'choking' in professional sports: Players may perform worse in critical moments where mistakes are costly. The drop in performance can be due to i) lower accuracy in decision making (i.e. judgment errors), and/or ii) higher failure rate in execution. Existing work measures performance by results, and does not distinguish between the effects of judgment errors and execution. Professional tennis provides a framework to identify the effects of pressure on the accuracy of decisions. We consider the point game in Walker & Wooders (2001) and Gauriot, Page & Wooders (2023), where the server picks a side to serve and the receiver simultaneously makes a decision to overplay to one side or the other. Since players need to be unpredictable, theory predicts a mixed strategy equilibrium where players choose according to their minimax mixture. A player's overall win rates could be lower in high pressure situations due to poorer execution. However, minimax play predicts equal expected win rates for each side of the serve regardless of the overall win rates. We investigate if players follow such minimax play in decision making when they are under pressure. We use point-by-point data from professional tennis matches, identify high pressure points, and test if win rates (percentage of points won) differ for each side of the serve under low and high pressure. Our findings indicate that players could be more likely to deviate from minimax play in high-pressure situations. We further investigate the heterogeneity in the effect of pressure and draw conclusions on judgment accuracy.

Abstracts for Parallel Session 1 (Continued)

Belief 1 (Room: 603)

Title: Heterogeneity and Flexibility in Reference Points

Speaker: Yang Nanyin (University of Sydney)

Abstract:

Reference points are among the most influential yet mysterious concepts in decision-making, with continuing discussions on what they actually are and where they come from. We design a foraging task in which individuals make choices between continuing exploiting a diminishing patch or incurring costs to explore new patches, and we manipulate the exploration cost and the resource variance between patches. This game allows us to investigate how environments and experiences shape reference points and therefore influence people's exploration-exploitation strategies. Furthermore, by engaging a socioeconomically representative sample, we examine how the reference point adjustment patterns differ by socioeconomic, demographic, and psychological factors. This project will not only offer novel insights into the origin and dynamics of reference points, but also shed lights on the heterogeneity of financial behaviors from a reference-point perspective.

Belief 1 (Room: 603)

Title: Prior updated: The effect of prior confidence in updating

Speaker: Chan Kenneth (University of California Santa Barbara)

Abstract:

We design an experiment to test whether confidence in prior beliefs affects the degree of over- or under-updating relative to the Bayesian benchmark. To manipulate subjects' confidence in their prior beliefs, we adopt an experimental feature from Esponda, Oprea and Yuksel (2023). Subjects are shown a 10 by 10 grid containing white and black squares, with the proportion of white squares corresponding to the prior in the updating task. In the low-confidence treatment, the grid is flashed for 0.25 seconds, giving subjects a sense of the proportion of white and black squares. In the high-confidence treatment, the grid remains on the screen for 30 seconds, giving subjects enough time to count the number of white and black squares. Although we find that decision-makers generally under-update relative to the Bayesian benchmark, subjects in the low-confidence treatment under-update to a lesser extent and place less weight on their prior beliefs when updating. The differences across our confidence treatments can be fully attributed to Non-Bayesian updating patterns. This paper also proposes a novel incentive-compatible method to measure a subject's confidence in their beliefs.

Belief 1 (Room: 603)

Title: Comparative Risk and Ambiguity Aversion across Information Sources

Speaker: Wada Ryoko (Keiai University)

Abstract:

This paper experimentally investigates how ambiguity aversion is related to information sources and how such sources are generated and presented, as well as degrees of risk aversion. The information sources vary with geometric properties of sets of possible probability distributions, and they are presented in two ways, one ruling out deception and the other based on deception. Also, they are presented in different orders. The experiment allows us to observe the transition of ambiguity aversion across information sources within each subject. We first confirm that risk aversion and ambiguity aversion are positively correlated overall. Then we observe that transition of ambiguity attitudes across information sources exhibit positive correlation overall, but the nature of transition is rather more complex and also that it differs between how imprecise information is presented.

Abstracts for Parallel Session 1 (Continued)

Risk 1 (Room: 604)

Title: Eliciting Risk Attitudes through Risk Dominance

Speaker: Herreiner Dorothea (Loyola Marymount University)

Abstract:

This paper investigates the relationship between risk attitudes and risk dominance in strategic form games. In particular, the evolutionary connection between concave transformation of payoffs and risk dominance (e.g. Nax/Newton 2019) is used to suggest and test a new measure for risk aversion in simple games. This measure is compared to other methods of eliciting and measuring risk attitudes.

Risk 1 (Room: 604)

Title: Do people choose the LOSS contract more than the GAIN contract?

Speaker: Cheng Zexiyue (Osaka University)

Abstract:

We conducted a laboratory experiment to investigate which contract participants would prefer when presented with two distinct framing options: a loss contract and a gain contract. We defined the LOSS contract as one in which participants receive a bonus at the beginning of the task but are required to return it upon completion of the task if they fail to achieve the target. The GAIN contract offers a bonus at the conclusion of the task upon reaching the pre-established target level. We anticipated that participants would favour the LOSS contract, which is based on prior research showing that individuals prefer LOSS contracts due to loss aversion and their use as a commitment device to improve performance. However, contrary to our expectations, participants chose the GAIN contract more frequently. Furthermore, the improved performance of the participants did not show significant differences between the two framing conditions.

Risk 1 (Room: 604)

Title: Hungry and Rational: Preference Shifts and Rationality under Food Deprivation

Speaker: Krause Jan S. (Kiel Institute for the World Economy)

Abstract:

In this paper, we examine the effect of food deprivation on risk, time, and social preferences. Specifically, we differentiate between effects on rationality and economic preferences. For the experiment, subjects were deprived of food for 18 hours before one-half of the subjects received a meal before and the other after the session. We elicit risk and time preferences in the gain, loss, and mixed domains in a Discounted Prospect Theory framework using a structural model approach. This allows us to differentiate between effects on normative rationality and risk attitudes. Furthermore, we use five two-person games to elicit distributional preferences and goal rationality. For risk preferences, we find increased normative rationality, i.e., decreased probability weighting, loss aversion, and decision noise. Furthermore, we find smaller differences between discounting in the gain and loss domain for food-deprived subjects. For social preferences, we find reduced importance of non-materialistic outcomes for decision-making, i.e., decreased positive and negative reciprocity and decreased susceptibility to framing.

Abstracts for Parallel Session 1 (Continued)

Risk 1 (Room: 604)

Title: Do as I Do: Paternalism and Preference Differences in Decision-Making for Others

Speaker: Buckle Georgia (University of Portsmouth)

Abstract:

We study whether money managers impose their risk preferences onto investments for clients paternalistically and whether they impose them more, the more their client's risk preference differs from their own. We conduct an online experiment, where participants make an investment decision for themselves and on behalf of another participant (as money managers). When investing for another (the client), we use the strategy method to elicit decisions for every possible investment the other participant could have made for their own payoff, such that money managers have complete information of their client's risk preference. With this, we systematically manipulate the difference in risk preference between the manager and client within subjects. Overall, we find that money managers do project their risk preferences onto clients' investments due to paternalism. The manager's risk preference significantly influenced their investment for others, despite knowing their client's risk preference, and them having no stake in the decision. Investments were also significantly predicted by the client's known risk preference, but this was a substantially worse predictor than the managers' preference. We also find, as predicted, that managers do deviate further from their client's risk preference, the more that preference differs from their own.

Industrial Organization (Room: Science Hall)

Title: Voluntary Disclosure of Cartel Information under Leniency Programs: Theory and Experiment

Speaker: Kawamura Tetsuya (Tezukayama University)

Abstract:

This study theoretically and experimentally examines recent leniency program reforms about voluntary disclosure of cartel information by the Fair Trade Commission of Japan (JFTC). To raise the probability of detecting cartel activities, a leniency program has been introduced in many countries and has proven to be a very effective means to detect cartel activities. The JFTC introduced a leniency program in 2006 and after several minor modifications, they decided to reform the program in 2020. Under the old program, when a cartel is formed, fines issued to firms that report cartel behavior were reduced proportionally to their relative ranking in the speed of reporting regardless of the information contained in the report. Under the new program, the rate of fine reduction for a reporting firm is determined not only by relative ranking in the speed of reporting but also by information content. However, the fine reduction rate is 100% for the first applicant regardless of the information content under the new program. Thus, a firm having an optimistic outlook about obtaining full leniency has no incentive to report. To overcome this problem, we propose a refined program in which firms need to provide some information to obtain full leniency. In this study, we conduct a theoretical analysis based on an infinitely repeated n-person prisoner's dilemma. We derive the conditions for a cartel equilibrium where all firms collude and apply for leniency. Our findings indicate that the optimal level of information reported is always the minimum under the old program, either the minimum or maximum under the new program, and always the maximum under the refined program. Furthermore, we demonstrate that achieving an equilibrium where no firm applies for leniency is most feasible under the refined program and unattainable under the new program. We conducted the experiments from December 2021 to June 2023, recruiting participants through Kansai University's Online Recruitment System for Economic Experiments (Greiner, 2015). Each of the 183 undergraduate participants took part only once. The experiment, conducted online with oTree 2.5, randomly grouped participants into trios, where they played an infinitely repeated game. In each stage game, all three players simultaneously decided whether to apply for leniency and the level of information content to report. The stage game is repeated by the probability of 0.8. The experiment consists of 15 rounds with the identical members, and every group is randomly rematched among rounds. Our experimental results indicate that, contrary to theoretical predictions, the rate of firms applying for leniency is highest under the refined program and higher under the new program than under the old program. However, consistent with theoretical predictions, the information content is highest under the refined program and higher under the new program than under the old program. The experimental results suggest that, while the new program is an improvement over the old one, the refined program is the most effective for detecting collusion.

Industrial Organization (Room: Science Hall)

Title: Price Information Sharing and Collusion_An Experiment

Speaker: Kim Jeong Yeol (KDI School of Public Policy and Management)

Abstract:

This study investigates the impact of price information sharing between firms on cartel formation using a lab experiment. Participants were assigned to different treatment groups based on whether price information sharing was conditional or unconditional, and whether there were costs incurred when firms set prices different from the shared information. The results reveal, first, that treatments allowing conditional and unconditional information sharing resulted in significantly higher cartel formation rates compared to the no-sharing treatment. Second, when costs are associated with deviating from the shared price information, more cartels are formed, and these costs, in some cases, prevent firms from defecting from the collusive arrangement. Additionally, the introduction of communication increases cartel formation across all treatments, regardless of information sharing. These findings suggest that even without explicit collusive agreements by communication, price information sharing alone can lead to outcomes similar to those of formal cartels.

Abstracts for Parallel Session 1 (Continued)

Industrial Organization (Room: Science Hall)

Title: Effort-maximising prize designs in team contests - An experiment

Speaker: Liu Yang (University of Melbourne)

Abstract:

In many competitive circumstances, contenders from different teams compete in pairs on multiple disjoint fronts, and the winning team is determined by their overall performance over a series of battles. A central question of the contest organiser is how to appropriately design the prize allocation rule (or, equivalently, the winning rule) to incentivise a more productive effort supply. In this paper, we conduct lab experiments to compare different prize allocation rules. Theoretically, the optimal prize allocation rule is the majority rule with a HeadStart, which is an identity-dependent (biased) prize allocation rule that allocates the entire prize to the team winning a sufficient number of battles and favours the weaker team by awarding it a HeadStart in terms of an initial number of wins. (Feng et al., 2024). When the prize allocation rule cannot depend on teams' identities, the optimal allocation rule is the majority rule with a tie margin, in which the team can win only if it outperforms its opponents by a minimum margin; otherwise, there is a tie, and each team gets half of the entire prize. We compare the two prize allocation rules mentioned above with two other most commonly used prize allocation rules in the real world: the proportional rule, where prizes are split proportionally based on the number of wins, and the basic majority rule (best-of-N). We examine when the two teams are symmetric and sufficiently asymmetric. Our experimental results largely support the theoretical prediction and provide critical insight into the design of team contests and the use of biased prize allocation rules.

Industrial Organization (Room: Science Hall)

Title: Deterring Collusion with Fines in Auction Experiments

Speaker: Tsz Kwan Tse Tiffany (ISER, Osaka University)

Abstract:

This study investigates the effectiveness of fines in deterring collusion in one-shot first-price and second-price sealed-bid auctions. Building on the experimental framework of Agranov and Yariv (2018), which showed that cheap-talk communication and side payments significantly increase collusion, we examine how fines influence collusion when pre-auction communication and post-auction transfers are allowed. Our experimental design introduces treatments that vary the presence of fine information, the probability of detection, and the auction format. Specifically, we design six treatments: three each for first-price and second-price auctions, comparing no fine information, fines but a 0% detection probability, and fines with a 25% chance of detection. The comparison between the “no fine information” and “fines with 25% detection probability” treatments captures the combined effects of fine information and detection probability. To isolate these effects, we include control treatments with fines but a 0% detection probability. The results show that fine information alone does not deter collusion; however, increasing the probability of detection significantly reduces it. Notably, fines effectively deter collusion in both weak and strong cartels when the detection probability is high. These findings enhance our understanding of how fines can be used to deter collusion in auction settings where pre-auction communication and post-auction transfers are possible.

Abstracts for Parallel Session 2

Trust 1 (Room: 501)

Title: Moral Decisions Across Time: Unraveling Consequentialist vs. Deontological Principles

Speaker: Erkut Hande (WZB)

Abstract:

Moral decisions often have consequences which may not always be immediately apparent. For instance, the harm caused by a lie and the subsequent revelation of deceit may emerge only in the future. In situations where actions and their consequences are temporally separated, the associated costs (such as the social image cost of being exposed as a liar) may occur either at the time of decision-making or when the consequences are realized. Understanding the timing of these costs is crucial to determine whether moral decisions follow a consequentialist or deontological perspective, as these have distinct predictions about when costs should occur. This study uses an experiment and structural estimations to uncover whether moral decisions are influenced by consequentialist or deontological principles, using the temporal separation of actions and consequences as a tool to reveal the timing of associated costs. Additionally, we explore whether the moral context (e.g., lying versus making a distribution decision) influences which perspective is adopted. Our findings suggest that decisions with a stronger moral context prompt individuals to experience costs at the time of decision-making, indicative of a deontological perspective. In contrast, a neutral moral context leads individuals to experience costs when the consequences are realized, suggesting a consequentialist approach.

Trust 1 (Room: 501)

Title: Generosity after negative random shocks

Speaker: Rodriguez-Lara Ismael (Universidad de Malaga)

Abstract:

We investigate how negative random shocks affect generosity through three pre-registered experiments involving over 2,000 participants. Our findings reveal that negative random shocks significantly increase generosity, and the effect is larger than the effect inequality has on giving. Surprisingly, neither recipients nor external observers anticipate the high levels of generosity following such shocks. Furthermore, we demonstrate that this increased generosity cannot be attributed to social norms. These results challenge existing models of prosocial behavior and have important implications for understanding societal responses to crises and economic downturns.

Trust 1 (Room: 501)

Title: Trust and Adoption of AI in the Public Sector

Speaker: Ay F. Ceren (The Norwegian Tax Administration/ Norwegian School of Econ.)

Abstract:

With rapid advancements in technology, both public and private sectors face increasing challenges to remain adaptable and effective. In this study, we explore the motivations behind adopting a newly developed AI assistant, TaxGPT, within the Norwegian Tax Administration. Our project aims to examine how targeted training and trust-building measures impact employees' willingness to integrate AI tools into their daily tasks. By using a randomized controlled design, we assign participants to either a training or control group and assess their interactions with TaxGPT through three waves of survey experiments. These surveys track participants' attitudes over time, focusing on trust in AI and confidence in the tool's reliability. Our findings underscore the critical role of trust calibration in promoting successful AI adoption within public sector roles and the effect of getting a training beforehand on writing more effective prompts and using AI more efficiently. By highlighting the factors that influence trust and adoption, this study contributes to a deeper understanding of how AI can be integrated into public service workflows to enhance efficiency and support employees in their work.

Trust 1 (Room: 501)

Title: Personality, Weak Signals, and Workplace Relevant Morality

Speaker: Dickinson David (Appalachian State University)

Abstract:

Employers use applicant signals to help solve an important asymmetric information problem in organizations. Educational attainment is the classic example of a job market signal, but weaker signals, such as information on extracurricular activities, personality traits or personal habits/history are also commonly used by employers. In this paper, we conducted controlled online experiments to examine the relevance of using validated Dark versus Light personality trait measures to predict behavior across multiple dimensions of interest to organizations: task effort, honesty, and reciprocity. In complementary fashion, a second study examined how these same behaviors are predicted by two weak signals: regular participation in religious activities (public and private) and a history of time in prison. Our first study indicated that Dark relative to Light types were more likely to cheat and shirk in the honesty task, put forth less task effort (i.e., were less productive), but neither type showed evidence for negative cross-task reciprocity (i.e., a spillover from one task to another). In Study 2, ex-Prisoners were more productive than Religious participants in the effort task, and more likely to have shirked but not cheated in the honesty task. Additionally, ex-Prisoners were more likely than Religious participants to exhibit negative cross-task reciprocity. These findings indicate that both Dark types and ex-Prisoners exhibited behaviors (shirking, or dishonesty, or negative reciprocity) that would be considered undesirable or counterproductive in the workplace, which validates the effectiveness of such traits as behavioral signals.

Abstracts for Parallel Session 2 (Continued)

Bargaining 1 (Room: 502)

Title: Job Appreciation, Redistributive Fairness & Bargaining: A laboratory experiment

Speaker: Hue Jun (University of Oxford)

Abstract:

Specialization enhances productivity, but it also introduces costs that can limit its overall benefits. One such cost, often overlooked, is the underappreciation of other specializations. Guided by a theoretical framework of fairness ideals, We further investigate how this underappreciation leads to inequity and inefficiencies in a laboratory experiment. Participants are randomly assigned to one of two distinct specializations. Different specialists do distinct tasks, with varying difficulties within specializations. After allocation, they are paired with someone from the other specialization to engage in joint production, followed by bargaining over their joint output. We manipulate two factors: whether participants can experience their partner's task (Exposure treatment) and whether the expected output of each task is revealed (Information treatment). We find that the final allocation are much more favorable for participants with easier tasks, but this effect is diminished with exposure. Exposure leads those with easier tasks to propose a smaller share initially. Exposure reduces the amount of proposals and time required to reach agreement. Over time with exposure, productivity modestly improves for those with a easier task to account for their loss of income. In a Finite Mixture Model, exposure and information reduce the prevalence of Strict and Liberal Egalitarians types, shifting preferences toward Weighted Liberal Egalitarianism, where both actual and expected output are considered in allocation decisions.

Bargaining 1 (Room: 502)

Title: Third-Party Litigation Funding on Settlement: An Experimental Study

Speaker: Chen Wei-Cheng (Academia Sinica)

Abstract:

This study experimentally examines the impact of third-party litigation funding (TPLF) on settlement decisions, focusing on how different funding structures and attorney incentives influence litigation outcomes. Conducted with 206 participants at National Taiwan University's TASSEL lab, the between-subjects design assigned each participant to one of four distinct environments, simulating scenarios with or without TPLF and variations in attorney incentives. Participants, assigned roles as plaintiffs or defendants, engaged in repeated settlement negotiation rounds. The study contrasts optimal third-party debt contracts, designed to maximize settlement rates, against suboptimal contracts and scenarios without funding. Results indicate that optimal TPLF contracts perform better than suboptimal ones but do not significantly outperform attorney-driven negotiations, contrary to theoretical predictions. These findings provide empirical insights into how TPLF shapes settlement dynamics, highlighting complexities in its effect on litigation outcomes. The research contributes to discussions on TPLF's role in the legal process, attorney-client relationships, and settlement efficiency?.

Abstracts for Parallel Session 2 (Continued)

Bargaining 1 (Room: 502)

Title: Trust Across Contexts

Speaker: Yamamoto Shohei (Hitotsubashi University)

Abstract:

Introduction and Overview The trust we place in others depends on the context, yet it is often measured using a single score. In experimental economics, trust is commonly measured by how much one transfers to a partner in the context-free trust game. In applied economics, surveys typically use a single question about general trust. While both methods have benefits, it remains unclear how well these measures capture trust across various contexts. This project addresses that question. We assess trust using three methods: the trust game, two survey-based measures, and 14 hypothetical scenarios reflecting personal and professional life situations. Our results show that the trust game poorly predicts behavior in real-life contexts. Survey measures perform better in predicting individual scenario behaviors, with greater accuracy when predicting average behavior across multiple scenarios. The method used to measure trust significantly impacts scientific conclusions. A key example is cross-country comparisons of trust, where relying on a single-score measure may lead to misleading conclusions. For example, one may incorrectly conclude that people in a given country are less trusting if the measure fails to capture relevant forms of trust in that society. To explore this, we compared the US and Japan using our three measures. Americans appeared more trusting in some measures, while the Japanese exhibited greater trust in others. However, a comprehensive analysis shows that Americans are more trusting across most contexts. Methods We measured trust through (1) the trust game, (2) two survey-based measures, and (3) hypothetical scenarios based on real-life situations. The hypothetical scenarios were selected from an initial preregistered study, where participants rated each scenario by its relevance to trust and frequency in daily life. The final list included 14 scenarios, spanning personal (e.g., lending money, seeking second opinions) and professional domains (e.g., paying employees based on self-reported hours, awarding bonuses). Participants indicated the likelihood they would engage in trusting behavior for each scenario. Following our preregistration, we conducted the study online with 800 participants—400 from the US (via Prolific) and 400 from Japan (via Lancers). Results Our results are twofold: correlations between trust measures and differences between the US and Japan. The trust game showed low correlations with individual scenarios (mean $r = 0.12$, range $r = 0.02$ to 0.21) and with average scenario scores ($r = 0.25$). Survey measures showed stronger correlations with both individual scenarios (mean $r = 0.24$, range $r = 0.12$ to 0.35) and the average score ($r = 0.48$), suggesting that survey-based measures better capture real-life trust. Comparing the US and Japan using the trust game shows the Japanese as slightly more trusting (58% vs. 53% of the endowment sent). However, Americans appear more trusting based on survey scores (4.84/10 vs. 3.03/10) and in all but three real-life scenarios. This discrepancy highlights the limitations of different trust measures. Conclusion Our findings emphasize the need for researchers to select trust measures suited to the contexts they study. In ongoing work, we are further exploring the predictive power of these and other measures in field settings.

Bargaining 1 (Room: 502)

Title: Negotiation through the lens of cooperative game theory: males and females bargaining

Speaker: Maggian Valeria (Ca' Foscari University of Venice)

Abstract:

A relevant aspect of a successful career and, possibly, of the gender gap in earnings seems to lie in the different abilities and preferences of males and females in managing the negotiation process. Our experimental project makes use of the cooperative game theory framework to first examine the role of fairness and bargaining ability in determining males and females' outcomes when deciding how to value and reward surplus and, second, to inform on how design institutions aimed at promoting equality in the labor market. In our theory-driven research project, we compare the fairness properties of outcomes of cooperative games played by both men and women in the lab with the different equity principles contained in the theoretical solutions. Testing the predictions of cooperative game theory in the lab, being an unexplored area of research, allows investigating the role of gender in negotiations and strategic interactions within the workplace.

Finance 1 (Room: 503)

Title: Overestimating Informed Traders: An Experimental Analysis of Investor Behavior and Security Mispricing

Speaker: Kitamura Tomoki (Musashi University)

Abstract:

This study investigates how investors tend to overestimate or incorrectly assume the presence of informed traders, potentially leading to security mispricing. Through a controlled experiment, we examine participants' behavior regarding the perceived existence of informed traders. The experimental design involves three boxes—A, B, and C—each containing red and white balls. In box A, 50% of the balls are red, in box B, 25%, and in box C, 75%. One of these boxes is randomly selected and placed before the subjects, with probabilities of 50% for A and 25% each for B and C. In each round, a ball is drawn from the box, its color is disclosed, and then it is returned to the box. Participants must judge whether the box is A or one of the other two (B or C), with this process repeated across 30 rounds. At the end of each trial, the box's true identity is revealed, and the experiment sequence is repeated six times in a single day. Box A, with an equal number of red and white balls, represents a market without informed traders, while boxes B and C, which display color biases, represent markets potentially influenced by informed traders. Deciding between 'box A' and 'box B or C' parallels evaluating whether private information is present in stock markets. The experimental results demonstrate that participants' judgments consistently exceed Bayesian probability estimates, indicating an overestimation of informed trader presence. The data also reveal a two-step decision-making process: first, participants consider whether the information available is favorable or unfavorable under the assumption of informed traders; second, they evaluate the existence of information based on whether it is perceived as good or bad. In contrast, a Bayesian approach would involve simultaneously considering all three boxes to make a judgment. These findings contribute to our understanding of investor behavior by highlighting the tendency to apply heuristic-driven, layered decision-making, which can lead to misjudgments about the presence of informed traders and, consequently, mispricing in the market.

Abstracts for Parallel Session 2 (Continued)

Finance 1 (Room: 503)

Title: Pricing Asset Beyond Financial Fundamentals: The Impact of Prosocial Preference and Image Concerns

Speaker: Draganac Dragana (University of Belgrade - Faculty of Economics and Business)

Abstract:

This paper examines the effects of two non-financial values-prosocial preferences and image concerns-on the pricing of socially beneficial stocks within experimental asset markets, isolating their effect from those of stocks' financial fundamentals. To this end, we designed a novel laboratory asset market where stocks shared the same fundamental value but varied in their associations with non-financial values. We found that prosocial preferences alone have a minimal impact on the market prices of socially beneficial stocks. However, when both prosocial preferences and image concerns are present, the market price of socially beneficial stocks is significantly elevated. Additionally, under this condition, individuals trade these stocks at high prices regardless of their level of non-financial values. To benchmark the effect of non-financial values on stock valuation at the individual level, we conducted a parallel non-market experiment incorporating the same decision factors. In this non-market setting, prosocial preferences alone positively impacted stock reservation prices, and the addition of image concerns further increased these prices.

Finance 1 (Room: 503)

Title: Nudging a second after

Speaker: Lou Hanlin (University of New South Wales)

Abstract:

This paper studies a novel method to help people make better decisions by providing information immediately after customers make a costly transaction. We examine an RCT that involved notifications sent to credit card customers in a treatment group after every high-cost transaction informing them that the transaction incurs an additional fee and a higher interest rate effective immediately. This immediate ex-post information nudge reduces the number of subsequent high-cost transactions by 10% and increases the likelihood of making a repayment on the day they were nudged by 5%. The results provide evidence supporting the ex-post transaction information nudge improve customers' financial decision-making.

Finance 1 (Room: 503)

Title: Do parents save more for a daughter or a son? Minorities, cultural norms, and economic incentives

Speaker: Sade Orly (Hebrew University)

Abstract:

This paper provides evidence that there are disparities in parental savings for their children based on gender and highlights that parents tend to allocate more financial resources to children who are perceived as future breadwinners. We specifically examine the case of a government-sponsored savings program in Israel, focusing on two religious/ethnic minorities (Ultra-Orthodox Jewish and Arab populations) characterized by similar cultural gender biases but distinct economic incentives concerning the future earning potential of girls versus boys. By investigating these minorities, we uncover motivations behind gender favoritism. Our initial findings reveal that Ultra-Orthodox Jewish parents tend to make additional deposits for girls, while Arab parents allocate extra funds for boys, reflecting their economic incentives and the need to invest in human capital. We further use administrative and survey data to provide additional evidence suggesting that the primary driving factor behind this effect is economic incentives and investment in future breadwinners and not preferences. Fully understanding this outcome is important as it demonstrates that gender bias is reversed when economically worthwhile. We currently add a controlled experiment that aims to better understand the channels that influence these decisions. Such insights should be considered when designing savings programs or when thinking of labor market programs. Biases in the early stages of life impact and are influenced by future economic abilities, potentially leading to significant effects on gender inequality. Keywords/JEL Codes: Gender bias, Culture, Savings/ D14, J16, G51

Abstracts for Parallel Session 2 (Continued)

Health 1 (Room: 601)

Title: Medical Surrogate Decisions: Responsible or Selfish Motivations

Speaker: Luhan Wolfgang (University of Portsmouth)

Abstract:

In healthcare settings, surrogate decision-makers navigate critical choices such as cancer treatment, psychiatric care referrals, amputations, and end-of-life decisions for others. However, surrogate decisions often differ from decisions that patients would make for themselves, compromising patient welfare and decision autonomy. In this study, we aim to establish why these differences occur and what underlying incentive structures drive the decisions of three categories of surrogate decision-makers: the patient's family, medical practitioners, and appointed attorneys. In stage 1, an online survey with healthcare workers and a general population sample, we establish how often surrogates take serious medical treatment decisions, and how each category of surrogate weighs and is perceived to weigh by others, a range of decision factors when making treatment decisions. We find that an estimated 54.5% of serious medical treatment decisions are taken by someone other than the patient, with 31% of decisions taken by medical practitioners. We find that while patients are estimated to prioritize potential positive outcomes from treatment, practitioners put greater weight on the probability of treatment success, family members focus more on negative outcomes and the impact treatment will have on others, and appointed representatives are perceived to have the most balanced outlook. These initial observed differences in priorities serve as a foundation for a behavioral model of incentives and decision motivations in medical surrogate scenarios. In stage two we test model predictions and analyze counterfactuals in a controlled experiment. Our results have the potential to significantly impact policy decisions to help hospitals and policymakers provide better care for incapacitated patients.

Health 1 (Room: 601)

Title: Self-selection of Information and Belief Update: An Experiment on COVID-19 Vaccine Information Acquisition

Speaker: Lin ChienHsun (National Taipei University)

Abstract:

Rational information acquisition theory predicts people select the information that is more informative, thus people's beliefs will be more persuaded by the information they select. We test the prediction in a critical real-world context-information about COVID-19 vaccines. We conducted an online experiment in Taiwan where the subjects selected information about COVID-19 vaccines, and then the subjects updated their beliefs about vaccine effectiveness and preferences for vaccines. In the experiment, we randomly assign the information about different vaccines to the subjects so that the information reception can be independent of the subjects' information selections. As our design distinguishes different stages of the rational acquisition framework, it allows us to diagnose the underlying mechanism of the theory. Our empirical findings demonstrate evidence that people's information acquisition generally coheres with the rational theory framework predictions, that is, people choose information when the information is more likely to alter their decisions. We show that our subjects' beliefs change more when they see the information they select. We also find evidence of change in vaccine preferences and choices after they receive the information they select, which further suggests that the subjects follow the rational information acquisition framework. For the policy implication, we suggest that policymakers should promote the options that are underestimated to compensate for the people's underconsumption of information.

Health 1 (Room: 601)

Title: Assessing the within individual consistency of survey and lab-based measurements of self-control

Speaker: Wang Xueting (RMIT University)

Abstract:

Self-control can be defined as the ability to be in command of one's behaviour and to restrain or inhibit one's impulses. Researchers across all behavioural sciences have contributed to the knowledge on the predictive power of self-control for life outcomes, the origins and sources of individual differences in self-control, and how to promote self-control. One caveat of this large body of research is the diversity in the instruments used to measure self-control and the lack of knowledge on the extent to which they yield consistent measurements of the trait self-control. We conduct a panel online experiment with a large representative sample of the Australian adult population to establish the link between the most widely used survey-based measurement of self-control and standard experimental measurements of self-control in economics. Our survey-based measurement is the Brief Self-Control Scale (Tangney et al., 2004), which is included in major representative population panel surveys (including HILDA and the German SOEP). Our experimental measures of self-control include impatience, present-bias, classification into self-control types and impulsivity, covering the main behavioural proxies of self-control in the economics literature. These measurements are obtained with an experimental design that blends the main features of the Convex Time Budget experiment (Augenblick et al., 2015) and the temptation experiment in Toussaert (2018). We elicit our experimental measurements of self-control in the domain of effort, because of the evidence that self-control problems are stronger for primary rewards (including the choice of effort versus leisure), than for money. Learning about the extent to which the BSC scale and experimental methods yield within-individual consistent measurements of self-control is important to understand the validity and implications of the large and increasing body of research findings using these methods.

Abstracts for Parallel Session 2 (Continued)

Health 1 (Room: 601)

Title: From Spatial Mismatch to Strategic Placement: Evaluating the Locations of Senior Safety Zones

Speaker: Shin Eun Jin (Sungkyunkwan University)

Abstract:

Although the overall number of traffic crashes in South Korea has shown a significant downward trend since the early 2000s, crashes involving older adults have defied this trend and have increased over time. To protect seniors, particularly senior pedestrians, the Korean government has implemented senior safety zone programs since 2007. However, limited scholarly attention has been given to evaluating the suitability of the locations of these zones, especially from a long-term perspective. Moreover, existing studies provide little insight into where these zones should be located in the future to improve their effectiveness. To address these gaps, this study first evaluates the locations of senior safety zones in Seoul, with a focus on whether these zones are spatially aligned with senior pedestrian crash hotspots and how this alignment has changed over time. It then identifies factors associated with the distribution of senior pedestrian crash hotspots in the study area. The spatial analysis results show that the degree of spatial mismatch between the senior safety zones and senior pedestrian crash hotspots has not changed significantly over time and has remained consistently low throughout the study period. This is likely because welfare facilities or traditional markets, where current laws allow the installation of senior safety zones in Korea, do not significantly predict senior pedestrian crash hotspots, according to the regression analysis results. The findings also reveal the characteristics of areas that should be prioritized for the installation of future senior safety zones, such as those near shopping malls and general hospitals. These insights offer important policy implications that will help more effective placement of senior safety zones.

Methodology 1 (Room: 602)

Title: Measuring Conditional Cooperation: An Improved Method

Speaker: Miklanek Tomas (Prague University of Economics and Business, Prague)

Abstract:

Casual observations from the field, as well as an extensive experimental literature, document that people often cooperate in social dilemma situations. Fischbacher, Gächter and Fehr (2001) (FGF) document that approximately half of the experimental subjects are conditional cooperators i.e., they cooperate more the more the others cooperate. This finding has been extensively replicated, establishing the FGF method as a common approach for studying conditional cooperation. However, recent studies suggest that the FGF method is not necessarily a reliable gauge of the true propensity to conditionally cooperate based on social preference and social norm considerations. We propose a novel approach for measuring conditional cooperation that refines the FGF method. This approach is based on simplicity of the public good environment and a reduction in potential experimenter demand effects. Using this method, we find that although conditional cooperation is still widespread, its incidence is only about two thirds of the level identified by the original FGF method.

Methodology 1 (Room: 602)

Title: Don't look at them: Experimental evidence on the distribution of information and ability regarding trustworthiness inference from faces

Speaker: Zylbersztejn Adam (University of Lyon, GATE CNRS)

Abstract:

Humans strongly value seeing facial characteristics when judging and evaluating potential interaction partners. While very influential, the information drawn from seeing others is in most cases not very helpful and often misleading, resulting in economic and societal costs. While much previous research has focused on these biases, little is known about their variation across individuals. In this paper, we investigate two potential levels of heterogeneity: (1) the variance across individuals in being judged correctly or wrongfully by others, and (2) the heterogeneity in judging others correctly. We carry out a three-stage experiment (N=357) where subjects predict a stranger's trustworthiness in an incentivized prediction task after seeing that person's picture. We demonstrate heterogeneity in predictability: some faces contain "kernels of truth" about trustworthiness, while other faces are confusing. On the side of raters, we observe no variance in the ability to judge others correctly. These results suggest that facial inference of trustworthiness should not be viewed as a stable ability, but rather a matter of mere luck. Nonetheless, individuals exhibit "face-sim" by assigning excessive value to using this information in social interactions.

Abstracts for Parallel Session 2 (Continued)

Methodology 1 (Room: 602)

Title: High stakes, more mistakes? Belief elicitation and incentives

Speaker: Coutts Alexander (York University)

Abstract:

Accurate belief elicitation is central to applied economics, prompting extensive efforts to develop incentive-compatible methods. Although financial incentives are typically recommended to improve reporting accuracy, little is known about how the magnitude of these incentives — or their interaction with the level of instruction detail — shapes belief reports. Our survey of researchers suggests that researchers tend to prefer using higher incentives. However, we observe in our laboratory experiment a 33% increase in error in belief reports when financial incentives under the BSR are increased by 10-fold, and this effect is independent of the level of instruction detail. Moreover, we find that this effect is driven by individuals with low cognitive reflection performance. Taken together, our findings suggest that using lower financial incentives in belief-elicitation procedures is preferable.

Methodology 1 (Room: 602)

Title: How Experimental Economists Produce Research? Survey Insights

Speaker: Toussaert Severine (University of Oxford)

Abstract:

Although the open science movement has expanded over the last 10-15 years, we still know very little about how researchers work and the journey that led them to the production of their papers. Within experimental economics, there are many open questions surrounding the design and refinement of experimental designs, the data analysis, and the production of research papers. How do experimental economists develop their framework? What challenges do they face during the research production process and what strategies do they adopt to overcome them? To provide some answers to these questions, we conducted a survey with over 200 researchers who presented their work at an ESA conference. We will present preliminary findings from this work.

Norms 1 (Room: 603)

Title: What You Don't Know May Hurt You: A Revealed Preferences Approach

Speaker: Bolte Lukas (Carnegie Mellon University)

Abstract:

The dominant approach to welfare, revealed preference, is restricted to settings where the individual knows their preferences have been fulfilled. We use a choosing-for-others framework to experimentally study welfare when what the individual believes differs from what is actually true. 42% of participants see welfare as independent of beliefs; 22% see welfare as exclusively determined by beliefs; and 29% care about both beliefs and reality. Furthermore, the average participant values accurate beliefs. While there is large heterogeneity, our results suggest most people support the idea that welfare goes beyond beliefs, which can inform media regulation, informational policies, and government communication.

Abstracts for Parallel Session 2 (Continued)

Norms 1 (Room: 603)

Title: Morality Meets Risk: What Makes a Good Excuse for Selfishness

Speaker: DONG Wanxin (Renmin University of China)

Abstract:

Recent research suggests that individuals often justify egoistic behavior by leveraging uncertainties, particularly in the realms of charity or pure gains. This paper delves into a dual scenario where payoffs result in pure losses, exemplified by a myriad of negative externalities. In our laboratory experiment, participants evaluate risky payoffs for themselves and their partners in both gain and loss domains, with or without interpersonal trade-offs. We find that participants exhibit excuse-driven risk preferences, regardless of the domain. We also document significant individual heterogeneity in the degree of excuses, influenced by risk domains, risk size, and who bears the risk. Participants display a tendency for domain-specific excuse-driven risk preferences. Furthermore, they manifest a heightened excuse for self-risk under small and moderate probabilities, with this pattern reversed when the risk is shifted to others. We present a self-signaling model to elucidate these observations of individual heterogeneity. The agent cares about self-image and possesses two selves: a decision-maker knowing her true preferences, and an observer who lacks knowledge of her preferences but can update beliefs about risk preferences based on the chosen action. The posterior beliefs will affect the utility of her self-image. Therefore, the degree of excuse-driven risk behaviors depends on the tradeoff between the agent's benefits from selfish actions and harm to self-image in a given signal scenario.

Norms 1 (Room: 603)

Title: Signals of Consent

Speaker: Michailidou Georgia (New York University Abu Dhabi)

Abstract:

Violations of sexual consent are painful for the victims and disturbing for society. While cases of assault and harassment present important variations, a common feature often emerges in courtrooms. A victim and an accused acknowledge that a sexual encounter took place, but they disagree on whether that was mutually consensual. Depending on the jurisdiction, two models are typically applied in rulings over such cases. One is the affirmative consent ('yes means yes') model, the other is the negative consent ('no means no') model. The two models overlap in that they both require a conscious expression of a signal; a yes or a no. However, they differ in how they treat the absence of a signal, i.e., in the role they assign to silence. While the affirmative model suggests that silence cannot be an indication of consent, the negative model proposes that silence is not an indication of withdrawn consent. To study the complexities of silence, we construct a theoretical and experimental paradigm where silence exists as a communication strategy between a consent giver and a consent taker. We extend the paradigm to consider environments similar to those produced by the affirmative and negative legal frameworks and we discuss their welfare implications considering consent violations, missed matches, and false accusations.

Norms 1 (Room: 603)

Title: Reciprocity in context: Does knowing how nice someone is to others make us more reciprocal to them?

Speaker: te Velde Vera (University of Queensland)

Abstract:

Models and experimental tests of the proximal psychological motivations for reciprocity typically focus on the direct interactions between two people. However, these theories differ in their predictions about how a partner's history of interactions with others affects reciprocity. In particular, outcome- and type-based models of reciprocity predict that we will be more reciprocal with a partner who has a history of kindness towards others, intentions-based models predict that this unrelated history is irrelevant, and reference-dependent reciprocity predicts that we may actually be less reciprocal in this context. We develop a new experimental framework in which an individual observes a previous interaction between their partner and a third party prior to the direct reciprocal interaction between them, and by manipulating the payoffs involved, we can isolate the causal pathway for any impact that historical context has on direct reciprocity. Our results speak to the psychological mechanisms that enable people to engage in the direct and indirect reciprocity that is necessary for sustaining cooperation in groups.

Abstracts for Parallel Session 2 (Continued)

Learning (Room: 604)

Title: Can Social Epidemics be Reversed? An Experimental Test of the Overturning Principle

Speaker: Ziegelmeyer Anthony (Queen's Business School)

Abstract:

A key concept in theoretical models of observational learning is the overturning principle (Lones Smith and Peter Srensen (2000), *Econometrica*, 68, 371?398). This asserts that even if many agents have acted alike, a rational deviation overturns the informational weight of the herd, which induces successors, unendowed with private signals, to follow the overturning choice rather than the many herding choices. We present an experimental test of the overturning principle. In our setting, informational herds can emerge in the bottom sequence, they can be overturned by subjects with superior information in the middle sequence, and subjects without private signals in the top sequence choose to follow either the overturning choice or the herd. In line with past experimental results, we find that herds emerge with some delay in the bottom sequence while, in the middle sequence, subjects overturn most herds that contradict their private signals as long as these herds are short enough. In the top sequence, violations of the overturning principle are substantial. When they observe many identical choices in the bottom sequence and a middle sequence choice that overturns this herd, subjects often fail to imitate the overturning choice.

Learning (Room: 604)

Title: The Impact of Framing on Incentivized Creative Performance

Speaker: Ezquerra Lara (University of the Balearic Islands)

Abstract:

This study explores the impact of reward framing on creativity performance in closed-creativity tasks, specifically focusing on graphical and verbal tasks. Building on prior research highlighting the effectiveness of monetary incentives in fostering creativity, our experimental design disentangles the power of framing rewards as gains or losses. Our findings suggest that, in comparative terms, loss-framed monetary incentives exert a more pronounced positive impact on creativity performance than gain-framed incentives, particularly in graphical tasks. Loss-framed incentives do not affect performance in verbal tasks. Notably, loss-framed incentives does not undermine creativity performance in any case; instead, it may enhance it for graphical tasks. The study addresses critical gaps in the literature, emphasizing the task-dependent nature of creativity and the differential effects of reward framing across diverse creative abilities. The findings hold implications for innovation management, suggesting that framing incentives as losses can significantly improve creativity, especially in visually oriented tasks, contingent on well-defined objectives and clear task directions.

Learning (Room: 604)

Title: Experimental Results on the Roommate Problem

Speaker: Molis Elena (Universidad de Granada)

Abstract:

We use laboratory experiments to analyze decentralized decision-making in one-sided matching markets. We find that subjects tend to make decisions in line with theoretical myopic models, as their offering and accepting decisions are mostly guided by the objective of improving upon the status quo. Consequently, markets move towards satisfying blocking pairs, reducing the number of remaining blocking pairs and increasing the aggregate payoffs over time. Overall, the experimental results support the theoretical solutions of absorbing sets and stable matchings to the roommate problem. Absorbing sets outperform other solution concepts proposed in the literature as predictors of final outcomes in our experiment. The empirical results also show that, on the one hand, isolated individual mistakes that do not disappear with experience or time sometimes make theoretically-stable matchings unstable in the laboratory. And, on the other, not all matchings in the absorbing set have the same power of attraction. Aggregate payoffs seem to refine absorbing sets as predictors of final outcomes.

Abstracts for Parallel Session 2 (Continued)

Learning (Room: 604)

Title: Policy Experiments on College Hierarchy

Speaker: Koh Youngwoo (Hong Kong University of Science and Technology)

Abstract:

We introduce the admission game framework, where a college hierarchy emerges endogenously as an equilibrium phenomenon. The model begins with two ex-ante identical colleges that simultaneously select their admission cutoffs. A fixed set of students, each privately informed of their exam scores—which serve as a possibly noisy indicator of their true quality—independently decide which college to apply to. A student's utility is influenced by both their own quality and the average quality of peers in their chosen college in a super-modular manner, meaning that an individual's quality and their peers' average quality act as strategic complements. Each college's utility is determined by a weighted average of the average quality of admitted students (reputation) and the total number of students enrolled (monetary gain). Students motivated by peer quality will prefer colleges that admit high-quality students, incentivizing some colleges to adopt more selective admission processes to attract these students, while others may prioritize larger enrollments over prestige. Consequently, a college hierarchy emerges from the coordination of student applications and the strategic responses of colleges. We demonstrate that evolutionary stable equilibria result in a college hierarchy where one college sets a high cutoff and the other a low cutoff, leading higher-scoring students to apply to the first college and lower-scoring students to the second. We bring this admission game to the laboratory, finding that an endogenous college hierarchy develops rapidly within 10-15 rounds of interaction, particularly when horizontal differentiation between the colleges is minimal. Even in scenarios where horizontal differentiation is significant enough to challenge equilibrium support for a college hierarchy, we observe that such a hierarchy still emerges in some sessions. We plan to investigate how interventions might disrupt this spontaneously formed college hierarchy, with data collection for the intervention treatments expected to conclude in November.

Political Economy 1 (Room: Science Hall)

Title: Judge or Vote? An Experimental Study of Majority Judgment

Speaker: Kawagoe Toshiji (Future University - Hakodate)

Abstract:

In this paper, we examine the performance of majority judgment (MJ) in judgment and voting situations in the laboratory. With MJ, proposed by Balinsky and Laraki (2007, 2010), each voter assigns a grade to each candidate, and then, the median grade is calculated for each candidate. In the judgment situation, the less the difference between each voter's valuation and the median grade for each candidate, the higher her payoff. Basically, no voter has an incentive to misrepresent her true valuation in grading (strategy-proof-in-grading). In the voting situation, a candidate who receives the highest median grade wins, and each voter gets a payoff equal to her preference for that candidate. In this situation, a voter may have an incentive to misrepresent her true preference in grading; that is, it is not strategy-proof, even if each voter's preference is single-peaked. In our experiment, we compare the performances of MJ and evaluative voting (EV) or the Borda rule, which uses the sum of the grades as an aggregate value, under several preference profiles. All profiles satisfy single-peakedness. In the voting situation, while the Condorcet winner wins under one profile if every voter submits her true preference?in grading, it is not the case under another profile. We also use some of those profiles for the judgment situation. For MJ, we observe that the rate of truth-telling is significantly low in both judgment and voting situations, while the majority of voters assign the highest grades to their first-choice candidates. There is no significant difference in the rate of truth-telling between judgment and voting situations. Comparing the voting rules reveals that while the truth-telling rate with EV or the Borda rule is significantly higher than that with MJ in the voting situation, the converse is true in the judgment situation. As for the Condorcet efficiency, MJ performs better than EV in all but one treatment. Even though MJ does not induce truth-telling under the single-peaked preference profiles, it leads to more efficient outcomes than EV or the Borda rule.

Political Economy 1 (Room: Science Hall)

Title: Misperceptions of Social Norms in Corruption

Speaker: Kitamura Shuhei (ISER, Osaka University)

Abstract:

This study examines how voters' perceptions of others' beliefs about corruption by incumbent politicians influence voting behavior in elections, using a pre-registered survey experiment. The experiment revealed significant variation in these perceptions, with some individuals holding more lenient views and others holding more severe views. By randomly providing accurate information about others' beliefs, we found that voters updated posterior beliefs and adjusted voting behavior based on prior perceptions of others. First, the treatment increased support for the incumbent candidate, particularly among voters who initially held more lenient views than others' average beliefs. Second, the treatment increased voter turnout and the likelihood of voting for the opposition candidate, especially among those who initially held more severe views than the actual average beliefs. The findings of this study underscore the importance of understanding voters' perceptions of others' beliefs and behaviors toward corruption as a pathway to enhancing political accountability.

Abstracts for Parallel Session 2 (Continued)

Political Economy 1 (Room: Science Hall)

Title: The effect of tax avoidance in voting decisions: a real-effort task experiment

Speaker: Solano Garcia Angel (University of Granada)

Abstract:

The annual report of the Tax Justice Network (2023) reveals that countries are losing over \$480 billion in tax each year to global tax abuse. In this paper, we analyze theoretically and experimentally the effect of tax avoidance on voting decisions over size of taxation when we vary both the cost of tax avoidance and the information about tax avoidance. We propose a basic model of redistributive politics in which there are two types of voters (skilled and unskilled workers) and two exogenous tax schemes to vote for. We design a laboratory experiment to test the results of the model, i.e. the tax rate chosen by majority voting. We consider a control treatment where tax avoidance is not feasible. In the main treatments, only the high skilled workers are allowed to avoid taxes with a fixed cost that varies in two different treatments. We also consider two additional treatments with full or no information about tax avoidance decisions. We find that, as theoretically predicted, unskilled workers vote more for the high tax rates when the cost of tax avoidance is so high that avoidance is not feasible. Also in line with the theory, an intermediate cost of tax avoidance makes unskilled voters choose to vote for a low tax rate in order to prevent a reduction of income redistribution through tax avoidance. However, if tax avoidance is cheap enough experimental results differ from theoretical predictions. In particular, we find that a more than predicted proportion of low skilled workers still vote for the low tax rate even knowing that skilled workers systematically avoid taxes. Information is not key in our results.

Political Economy 1 (Room: Science Hall)

Title: Truth discernment and fact-checking

Speaker: Bortolotti Stefania (University of Bologna)

Abstract:

Rapid technological change in the media landscape, alongside rising inequality and polarization, has ushered in an era of truth decay, marked by growing disagreement over facts, an increase in opinion-based content, and the blurring of fact and opinion. Truth decay poses a threat to democracy by eroding trust in institutions and intensifying political and social polarization. We build on Serra-Garcia and Gneezy (2021), who show that even without ideological motivations, people tend to overestimate their ability to detect lies and are more likely to share them, inadvertently increasing belief in falsehoods, as recipients are inclined to trust shared content. Our information provision experiment aims to uncover the motivations behind individuals' decisions to fact-check information. Specifically, we seek to understand if the demand for fact-checking stems from personal values, such as a desire for accuracy, or from a sense of social responsibility. We aim to determine whether people are primarily motivated by self-correction, a desire to fact-check others, or a concern for the potential harm of spreading misinformation that could negatively impact others.

Abstracts for Parallel Session 3

Choice Process (Room: 501)

Title: Autonomous better decisions: how to overcome choice overload with simple choice procedures

Speaker: Campos Cid (The University of Sydney)

Abstract:

Contrary to traditional economics assumption that having more options for choice is better, many papers in behavioural economics, marketing, and psychology have shown that having more alternatives to choose from can deteriorate choice quality. As a solution to this choice overload problem, behavioural economists have proposed reducing the number of alternatives available to a chooser, or to use nudges that guide people to select presumably 'better' alternatives. In this paper, we take a different approach and suggest how people can make better choices autonomously. Using an understanding of how value representations in the brain determine choice accuracy, we design three choice procedures to improve choice quality without reducing the range of options available. Using a within-subject experiment, we test how our procedures compare to the most commonly used procedure, simply picking the preferred option. We find that each of our choice procedures increases the probability that a participant will correctly choose their independently identified favourite from the choice set. We show that this leads to a significant decrease in the monetary cost of mistakes. Our paper provides simple alternative choice procedures which overcome choice overload and maintain the autonomy of choice without reducing the benefit of having a variety of options to choose from.

Choice Process (Room: 501)

Title: Employers' Discrimination against Fathers and Mothers Taking Parental Leave: Evidence from a Choice Experiment

Speaker: Kasperska Agnieszka (University of Warsaw)

Abstract:

In this study, we examine the consequences of parental leave use for mothers' and fathers' hiring and earning opportunities. This topic is of high social importance given the persistently low uptake of parental leave by men in Europe. In countries where parental leave is granted to fathers on a 'use it or lose it' basis, men typically make use of the portion of the leave specifically designated for them but rarely take advantage of the entitlements available to both parents. One of the reasons for this state of affairs might be that employers discriminate against parents who make use of parental leave and penalize fathers more than mothers. This is because men are still expected to be loyal employees for whom work always comes first. We test these hypotheses using an original discrete choice experiment, which allows for the estimation of causal effects and discriminatory practices. We interview 1,000 managers who are asked to assess hypothetical profiles of job candidates which include information on workers' gender, sector-specific work experience, performance evaluation, expected salary and experience of career breaks due to parental leave or unemployment. All profile attributes are fully randomized. The respondents choose which worker (out of two) they would like to hire and who deserves higher pay as well as which one they consider to be more committed, and reliable. The study incorporates a between-subject design as the participants evaluate 4 pairs of workers' profiles. We also asked the respondents to answer several questions about themselves (e.g. gender role attitudes, work centrality) and the company they work in (e.g. presence of ideal worker norms and family-friendly policies). The sample is representative in terms of the employer's gender and the company's size, sector, and region. This study is situated in Poland, where a two-month parental leave for fathers was introduced in May 2023, following the implementation of the EU Work-Life Balance Directive. Poland is an interesting context to study as it is a country with relatively traditional gender role attitudes where women continue to shoulder a larger share of childcare responsibilities compared to men (despite a strong dual-earner model), and a culture of strong work centrality. Data collection is still ongoing, and results are not available at this stage; however, data analysis and the final article will be completed by the time of the conference.

Choice Process (Room: 501)

Title: Deliberation and Differences Determine Difficult Decisions

Speaker: Feldman Paul (Texas A&M University)

Abstract:

We propose a dual-process similarity-based explanation for when and how choices are made. Our explanation differs from the prior literature as it does not rely on subjective distances in preferences. We derive sharp, testable predictions and conduct an incentivized lab experiment to validate our explanation. More precisely, we study binary choices between lotteries with at most three outcomes (the canonical space for violations of expected utility). We validate our explanation by predicting non-monotonicities in response times and inconsistent choices under risk. Our explanation predicts how and when these risky choices will be made. We add an economic explanation for how individuals deliberate between dual processes.

Abstracts for Parallel Session 3 (Continued)

Other Regarding Preferences 1 (Room: 502)

Title: Testosterone and economic preferences

Speaker: Dreber Anna (Stockholm School of Economics)

Abstract:

There is conflicting evidence on whether testosterone affects economic preferences such as risk taking, fairness and altruism, with the evidence suggesting an effects coming from either correlation studies or small underpowered testosterone administration studies. To credibly test this hypothesis we conducted a large pre-registered double-blind randomized controlled trial with $n=1,000$ male participants. Participants were randomly allocated to intranasal testosterone or placebo and thereafter carried out a series of economic experiments involving the dictator game, the ultimatum game, the trust game, a charity game, a competition task and a risk task - games and tasks that capture social preferences, competitiveness and risk preferences. We verified that the manipulation worked and testosterone was higher in the treatment group than in the placebo group. We fail to find any evidence of a treatment effect for any of our nine primary outcome measures, thereby failing to replicate a number of previous studies reporting positive findings in small studies. Our study is powered to detect small effect sizes and we find strong evidence against effect sizes larger than about 0.2 in Cohen's d terms. Our results suggest that testosterone does not have important effects on economic preferences.

Abstracts for Parallel Session 3 (Continued)

Market Design 1 (Room: 503)

Title: A Promise Mechanism to Improve Reputation Systems in Online Markets: Evidence from An Experimental Study

Speaker: Xiao Erte (Monash University)

Abstract:

We design and test a simple promise mechanism aimed at addressing the common challenge of insufficient feedback provision in reputation systems in online markets. Before a transaction, buyers are asked to decide whether to promise to report feedback. We examine two distinct mechanisms of soliciting promises: market promise solicitation, where the market automatically prompts buyers to decide whether to promise to rate sellers after the transaction; and seller promise solicitation, where the sellers themselves request promises from buyers. Theoretically, both methods may effectively improve the reporting rate and market efficiency. Data analysis from a controlled laboratory experiment shows that seller promise solicitation, but not market promise solicitation, generates higher reporting and purchasing rates, resulting in greater market efficiency. Our findings indicate that the effectiveness of seller promise solicitation aligns with the expectation-based motivation theory of promise-keeping.

Market Design 1 (Room: 503)

Title: Correlation Neglect in College Admissions: Experimental Evidence

Speaker: Zheng Jin Di (Huazhong University of Science and Technology)

Abstract:

This paper explores correlation neglect in constrained Deferred Acceptance (DA) mechanisms, widely used in school choice and college admissions. Correlation neglect occurs when students overlook the correlation between admission decisions, leading to overly aggressive application strategies and increased unassignment risk. We conduct a laboratory experiment to examine the presence of correlation neglect in an education matching market and evaluate interventions designed to address this cognitive bias. We find that correlation neglect significantly influences student behavior, resulting in a higher share of aggressive rank-ordered lists. Interventions such as reminders about the correlations and personalized admission probabilities have limited impact. In contrast, switching to the Iterative DA mechanism significantly reduces the impact of correlation neglect by making contingencies more salient. Our findings suggest that dynamic mechanisms are potentially more effective than informational interventions in addressing cognitive biases in school choice, offering a promising direction for improving centralized admissions processes.

Market Design 1 (Room: 503)

Title: Adding Private Information Into Centralized Algorithms: A Field Experiment at a Ride-Sharing Platform

Speaker: Liang Yingzhi (The University of Texas at Dallas)

Abstract:

Abstract: Many have seen the gig economy as the 'future of work'. Despite having a boss-free working environment and a flexible working schedule, gig workers have little power over the algorithm that assigns them tasks. Take ride-sharing drivers for example, the platform assigns drivers trips without considering driver preferences for locations. As a result, drivers might suffer from a lack of working location flexibility. Through a field experiment on the largest ride-sharing platform in China, I examine the effect of incorporating location preferences into the centralized matching. I find that allowing drivers to self-define working regions increases their working hours and income by more than 4%, without lowering their productivity.

Abstracts for Parallel Session 3 (Continued)

Gender and Discrimination 1 (Room: 601)

Title: Other-regarding ethnic discrimination

Speaker: Sheng Yi (New York University Abu Dhabi)

Abstract:

We study whether other-regarding preferences of the majority population in Germany and the Netherlands depend on the ethnic background of others. To do so, we ran large-scale controlled experiments among the general majority population in both countries. The participants' main task was to make a series of choices on allocating money between themselves and another participant, or between two other participants. Part of the decision-makers were matched with others who also belonged to the majority population, and another part of the decision-makers were matched with others who belonged to an ethnic minority group. The choices were constructed with the purpose of structurally estimating the parameters of a utility function that allows for a variety of other-regarding preferences, including altruism, inequality aversion, spite, and welfare maximization. We find that, overall, none of the other-regarding preferences depends on the ethnic background of the other. German and Dutch experiment results are remarkably similar in the stakeholder situation. In the spectator experiment, female majority decision-makers are less likely to maximize the lower payoff if one of the recipients has a minority background.

Gender and Discrimination 1 (Room: 601)

Title: Attention Cost of Unfair Treatment

Speaker: Banko-Ferran Daniel (University of Pittsburgh)

Abstract:

Unfair treatment, whether actual or perceived, is widespread in the labor market. Ruminating over perceived injustices can occupy mental bandwidth that would otherwise be directed towards the task at hand. This paper explores the pecuniary effect of unfair treatment on individual financial outcomes using an online experiment. I consider a reduction in effort through the channel of being cognitively distracted due to perceived discrimination. The literature has not focused on the spillover effects of unfair treatment on employees, particularly as it relates to lower work performance through the channel of attention. Participants from Prolific engage in a real-effort task for a financial bonus, with some participants given the opportunity to take the financial bonus from another subject and skipping the task. Treated subjects know this possibility in advance and complete the real-effort task, learn if their financial bonus was taken, and complete two attention checks, a Cognitive Reflection Test, and a Raven's Progressive Matrices Test. A final group of participants perform the task without payment and without the chance of losing a financial bonus. I find a significant reduction in performance, especially among participants who believed discrimination was a factor in the decision to cheat. I find that victims of unfair treatment perform worse on subsequent tasks, impairing productivity through increased inattention and reducing individual earnings by 5-8 percent.

Gender and Discrimination 1 (Room: 601)

Title: A large-scale field experiment to disentangle sources of statistical discrimination in a social setting

Speaker: Clochard Gwen-Jiro (ISER, Osaka University)

Abstract:

Whether differential treatment is due to statistical or taste-based discrimination is a long-standing debate in the discrimination literature. In this paper, we aim to disentangle the complexity around statistical discrimination. We propose a distinction between two types of statistical discrimination: individual, i.e., whether the individual is productive or not, and collective, i.e., whether the individual would be a good fit on a team. We analyze the influence of these two types of statistical discrimination on individual behavior by conducting a large-scale correspondence study. We send over 10,000 applications to male amateur football (soccer) clubs in 15 Latin American countries and ask to participate in a practice session via email, phone, and social media. Each club receives one application, randomly varying the origin of the applicant (from the Americas, Europe and Asia) and signals about individual and collective productivity (football proficiency and language proficiency, respectively). We find limited evidence of discrimination against immigrants overall, but we observe heterogeneity in response rates by origin, which is consistent with individual statistical discrimination. Productivity signals have no significant influence.

Abstracts for Parallel Session 3 (Continued)

Nudges 1 (Room: 602)

Title: 'Intervention Effects of Nudges on Food Waste Reduction in Supermarkets and Changes in Consumer Purchasing Behavior'

Speaker: SUE YUSUKE (Kochi University)

Abstract:

In Japan's food retail industry, approximately 620,000 tons of business-related food waste are generated annually, which also impacts household food waste. In particular, supermarkets and convenience stores contribute significantly to waste through direct disposal and by influencing consumer behavior, leading to unconsumed purchases at home. This study aims to analyze the effects of the 'Mogu-Mogu Challenge,' a food waste reduction program based on nudge theory, designed to subtly influence consumer behavior in supermarkets. The Mogu-Mogu Challenge program labels products nearing expiration with 'Mogu-Mogu stickers,' allowing consumers to earn points for each purchase. Accumulated points can be redeemed for participation in social contribution activities or prize draws. This approach seeks to stimulate consumers' sense of social responsibility and curiosity, encouraging proactive purchasing behavior. Unlike traditional financial incentives such as discounts, the nudge-based approach aims to leverage consumers' intrinsic motivation for behavior change. The study targeted stores that implemented the Mogu-Mogu Challenge (intervention stores) and comparable stores without the program (non-intervention stores). In intervention stores, the program included not only the sticker application but also reinforced awareness through in-store posters, audio announcements, and decorated discount sections. Store employees were also briefed through training and manuals to ensure consistent intervention efforts. Data were collected through web surveys, in-store observations, and additional collection of store discount and disposal data to assess the intervention's effects from multiple perspectives. The data were analyzed using statistical methods to examine differences in purchasing behavior and attitudinal changes between consumers exposed to the nudge and those who were not. The study also observed an improvement in consumers' intention to revisit participating stores. Additionally, variables such as gender, age, and purchase purpose were included to assess how the nudge impacted consumers with different characteristics. The findings suggest that a nudge-based approach can positively influence consumer behavior, with the potential to contribute to long-term food waste reduction. By fostering a sense of social contribution, consumers exhibited sustainable changes in purchasing behavior, independent of economic incentives. Unlike traditional discount campaigns, the nudge approach encourages voluntary behavior change with potentially lasting effects. This study offers a new perspective on food waste reduction efforts in Japan, particularly by promoting sustained behavior change within communities and households. Future research will explore the effects of interventions combining nudges with financial incentives across different social contexts, as well as the synergistic impact and sustainability of behavior change through such combined approaches.

Nudges 1 (Room: 602)

Title: The Impact of Salience and Education on Disposition Effect: Evidence from a Randomized Controlled Trial

Speaker: Ando Nozomi (Showa Women's University)

Abstract:

This study investigates the effectiveness of educational interventions in mitigating the disposition effect among investors, particularly when the disposition effect is exacerbated by trading systems with prominently displayed losses. The research employs a randomized controlled trial (RCT) within a virtual market experiment to examine how the disposition effect is influenced by the combined effects of salience and education. A difference-in-difference-in-differences estimation method is utilized to analyze these effects based on transaction-level data from 108 participants. The findings reveal that education significantly reduces the disposition effect, while salience amplifies it. Crucially, the effects of education and salience are independent and do not interact with each other. Quantitatively, the effects operate in opposite directions and are of comparable magnitude, effectively offsetting each other. These results suggest that educational programs can be valuable tools in countering the negative impact of salient loss displays on investor behavior, potentially reducing the prevalence of the disposition effect.

Nudges 1 (Room: 602)

Title: Good-Citizen Lottery

Speaker: Kim Duk Gyoo (Sungkyunkwan University)

Abstract:

This paper examines one budget-balanced way to collectively minimize the production of public bads: penalty-funded good-citizen lottery. Good citizens are typically unpaid for their good deed, which weakens their incentives to make public bads less. I consider a game-theoretic model with a lottery payment to one of the good citizens whose prize is funded by penalties from bad citizens. With a reasonable set of parameters, the good-citizen lottery monotone decreases the probability of acting good as the population size grows, in theory. This is consistent with the typical theoretical result that voluntary contributions for the production of public goods decrease in the population size. Experimental findings show the opposite: As the group size increases, more proportion of the subjects chose an action corresponding to a good behavior. This seems mainly because for those who subjectively overestimate small probabilities, this lottery encourages them to be good citizens.

Abstracts for Parallel Session 3 (Continued)

Ambiguity 1 (Room: 603)

Title: Belief Updating Under an Ambiguous and Asymmetric Information Structure: An Experimental Study

Speaker: Lai En-Der (National Taiwan University)

Abstract:

The spread of fabricated information, or 'fake news', and its impact have recently been a central issue in social sciences research. People rely on information from various sources to make a better decision under uncertainty about the state of the world, and fake news would not be a concern if people were able to distinguish informative sources, or true news, from fabricated ones. However, most of time, a decisionmaker knows neither if a source is credible nor the likelihood of a source being credible. Such ambiguity complicates how a person perceives information and may in turn impair the quality of individual decision-making. Better understanding of an individual's belief updating process in the presence of ambiguity in information sources is thus a critical step for evaluating the impact of fake news. In this project, we propose an experiment that captures the scenario described above to study how an individual forms her belief under an ambiguous and asymmetric information structure. Specifically, we study individual belief updating behavior in an environment with two possible states (B and R) and a binary signal (b or r), which can be generated from either true news or fake news. The true news and fake news are characterized by its accuracy (q) and bias (?), respectively. If the signal is from true news, it reports the realized state with probability equal to its accuracy. If the signal is from fake news, the signal is noninformative and indicates state R with probability equal to its bias regardless of the true state. When ambiguity is present, a decision maker only knows that the chance of receiving fake news (??) falls in a range between 0 and 1. In other words, the exact pervasiveness of fake news is unknown to a decision maker. To investigate the belief updating rule an individual adopts in the presence of ambiguity in a signal structure, we implement different values of the accuracy of true news (q) and the bias of fake news (?) across rounds, and different ranges of pervasiveness of fake news across treatments in our experiment. By comparing with belief updating behavior in the absence of ambiguity, we shed light on the impact of fake news on individual belief formation and contribute to the literature on ambiguity attitude.

Ambiguity 1 (Room: 603)

Title: The Foreign Language Effect and Volunteering under Ambiguity: A Volunteer's Dilemma Experiment

Speaker: Wang Tse-Min (wangtsemin@gm.ntpu.edu.tw)

Abstract:

This study examines the role of ambiguity aversion in prosocial risk-taking using an extended version of the volunteer's dilemma game. Specifically, we investigate how ambiguity related to public good production outcomes influences individuals' willingness to volunteer in uncertain social contexts. The research explores how social preferences shift under uncertainty, with a focus on the interaction between ambiguity attitudes and beliefs in predicting volunteering behavior. Additionally, the study considers the foreign language effect, assessing how cognitive and emotional distancing in a non-native language may influence decision-making. The findings reveal that optimistic beliefs about others' willingness to volunteer play a crucial role in driving prosocial behavior, particularly among ambiguity-averse individuals. Although ambiguity regarding outcomes and the use of a foreign language did not directly alter ambiguity aversion or volunteering decisions, they indirectly influenced behavior. Specifically, heightened ambiguity insensitivity among pessimistic individuals increased their likelihood to volunteer, while the use of a foreign language reduced the positive effect of risk aversion on volunteering. The implications of Kantian moral reasoning, along with cognitive and emotional influences, are discussed.

Ambiguity 1 (Room: 603)

Title: Virtual currencies in online gaming increase the willingness to pay for loot boxes: an experimental analysis

Speaker: Di Guida Sibilla (IMT School of Advanced Studies, Lucca)

Abstract:

Loot boxes are digital containers of randomised rewards commonly found in video games and mobile apps. Loot boxes are especially common in free-to-play games, a videogame genre popular among adolescents and young adults. Recently, scholars examined the mechanism behind loot boxes due to their potential negative impact on consumers. For example, scholars suggested that loot boxes may distort the economic behaviour of the average consumer and thus be considered a form of unfair practice. This study examines the role of virtual currencies, money illusion, and non-intuitive exchange rates on consumers' spending behaviour for online transactions involving risk and ambiguity in an incentivised randomised controlled trial on UK citizens. We find that virtual currencies under fixed exchange rate induce subjects to increase spending, contributing to the debate on the neutrality of virtual currencies and experimental currency units. Moreover, when the nominal value of a virtual currency is higher than its real value, subjects reduce their willingness to pay and become more sensitive to risk and ambiguity. Lastly, the use of non-intuitive exchange rates further reduces the willingness to pay of our subjects (non significantly though). Based on our findings, we recommend policymakers not to underestimate the impact of virtual currencies in the online gaming sector. Finally, we suggest that video game developers support the use of real-world currencies in loot box transactions to enhance transparency and consumer understanding.

Abstracts for Parallel Session 3 (Continued)

Auctions 1 (Room: 604)

Title: An Experimental Study of Second-Price Auctions with Buyout Options under Ambiguity: A Level-K Model Approach

Speaker: Okada Tomohisa (Daito Bunka University)

Abstract:

Sellers on Yahoo! and eBay often set buy prices for auctions, which can increase revenues as bidders may accept a high buy price. Buyers' decisions to accept a buyout may be influenced by risk aversion, time preference, cognitive ability, and reasoning about others' actions. In real online auctions, sellers might end auctions early, and buyers typically do not know the number of competitors, introducing ambiguity (Knightian uncertainty) regarding closing time and the number of competitor. We experimentally investigate the effects of the number of competitors and valuation discount rates on bidders' buyout decisions in a second-price auction with a buyout option. In our experiment, each participant faces a total of 20 auctions, each with either two or four bidders, where private values are discounted by either 0.6 or 0.2 if the buyout option is not exercised. Additionally, we explore the impact of ambiguity about the number of bidders and discount rates. We conduct three scenarios: (1) complete information about discount rates and number of bidders, (2) ambiguity about the discount rate, and (3) ambiguity about the number of bidders. We estimate bidders' buyout strategies using a level-K model based on the experimental results. The main results of this study are as follows. First, underbidding and overbidding are more likely to occur, while optimal bidding is less likely, in treatments with high discount rates (1.0 or 0.6) compared to those with low discount rates (0.2). However, these effects cancel each other out, meaning treatments with higher discount rates do not increase average bids. Second, the number of bidders does not affect bidding patterns (underbidding, optimal, or overbidding) or enhance bids. However, uncertainty about the number of bidders significantly lowers bids. Third, bidders with higher CRT scores make more optimal bids and reduce underbids compared to those with lower scores, with no change in overbidding. Fourth, bids tend to increase as rounds progress, but higher CRT scores significantly lower bids over time, leading to a combined effect of reduced bids. Fifth, risk-averse bidders tend to make lower bids, which contradicts theoretical expectations. Sixth, when the discount rate is 1.0 or 0.2, uncertainty in the discount rate reduces the buyout rate, opposing theoretical predictions based on a Maximin utility function. Seventh, sessions with a discount rate of 1.0 or 0.6 increase the immediate decision rate. Additionally, greater risk aversion or time preference correlates with a higher immediate decision rate. Eighth, higher CRT scores are associated with a lower instant decision rate. Ninth, assuming each bidder is either 'random L0' or 'random L1,' the estimated percentage of 'random L1' bidders ranges from 86-100%, with fewer 'random L0' types, depending on experimental conditions. Tenth, regarding the estimated immediate decision strategy, uncertainty about the discount rate increases the probability of an immediate decision compared to certainty, while uncertainty about the number of bidders also raises the immediate decision probability relative to uncertainty about the discount rate.

Auctions 1 (Room: 604)

Title: Strategic Bidding in First-Price Sealed Bid Auctions: Comparing Induced Values and Real Goods

Speaker: Offerman Theo (University of Amsterdam)

Abstract:

In private value first price sealed bid (FPSB) auctions with induced values, the common finding is that bidders tend to bid strategically. That is, bidders bid below value, their bids increase in value and in the number of bidders. Compared to equilibrium, bidders are usually found to be (very) risk averse. In this paper, we investigate how people bid in FPSB auctions of real goods, for which we elicit bidders' values separately via price lists. In comparison with induced values, we find much more variation in people's bidding with real goods. Many bidders submit relatively low bids, and are better characterized as risk seeking or loss averse.

Auctions 1 (Room: 604)

Title: Jointly or Independently Clearing Market Design: Experimental Evidence

Speaker: Liu Duan (The Interdisciplinary Center for Economic Science)

Abstract:

Upon severing a jointly-clearing asset market that is not initially sufficiently competitive, we expect prices to increase and market revenue to improve due to decreased trading costs and increased trading aggressiveness, if substitute risky assets are traded. We report data from laboratory experiments testing our predictions. We find that independently-clearing markets result in significantly higher trading prices compared to jointly-clearing markets with contingent demand schedules. This is true, when the number of traders is small, i.e., the market is not sufficiently competitive. As the comparison group, when the market is sufficiently competitive, we find no significant difference in trading prices between independently-clearing and jointly-clearing markets. Meanwhile, we find that sellers hoard supply when a less competitive market is independently-clearing, resulting in few trades but unchanged market revenue. Our study sheds lights on the importance of considering market characteristics, when considering whether to employ trading technology innovation.

Abstracts for Parallel Session 3 (Continued)

Field Experiments 1 (Room: Science Hall)

Title: Don't let your fruits rot: Leadership training in a grocery store

Speaker: Haeckl Simone (University of Stavanger)

Abstract:

This paper examines the effects of employees receiving structured support from leaders on their work satisfaction and intention to quit using a field experiment involving 159 stores of a large Norwegian retail chain. In the experiment, leaders in both the treatment and control group work with a leadership training app for 7 weeks. In addition, the store managers are assigned to two employees with whom they are encouraged to work closely while using the app. The treatment version of the app includes two additional features to facilitate structured support from leaders: First, it includes a tool to encourage the leaders to set up weekly development meetings with the two selected employees. This tool helps leaders to organize meeting notes, set goals, and schedule follow-up meetings. Second, to strengthen leaders' beliefs in development opportunities, it includes a module designed to help leaders develop a growth mindset for their own abilities as a leader and the growth potential of their employees. We find that treated leaders are using the tool for developmental meetings and develop more of a growth mindset over time. Moreover, they perceive themselves as more supportive in the long run several months after finishing the digital leadership training. However, we find limited evidence for a positive treatment effect on employees' work satisfaction, and intention to quit.

Field Experiments 1 (Room: Science Hall)

Title: Consumer Preferences for Migrant and Native Workers: Evidence from a Large-Scale Experiment

Speaker: Falco Paolo (University of Copenhagen)

Abstract:

We conduct an experiment with 56,000 Danish households (over 2 percent of the population), who receive an advertisement from a Danish company offering basic cleaning services. We vary the price and the available operators, who differ in their ethnicity but meet identical quality standards. We find that, on average, demand for a migrant operator is 45 percent lower than demand for a native, but the gap is sensitive to price. It grows larger as the price increases since the demand for a migrant falls more steeply than the demand for a native. This is consistent with consumers having a lower willingness to pay for migrant workers than equivalent native workers. The results shed light on an important source of labor-market discrimination.

Field Experiments 1 (Room: Science Hall)

Title: Bystander Defending Behaviors in Workplace Cyberbullying: The Dehumanization and Social Presence Perspectives

Speaker: LIU Ning (Beihang University)

Abstract:

This study explores the dynamics of bystander defending behaviors in workplace cyberbullying through an experimental approach, focusing on how dehumanization of the victim and the degree of social presence in cyber environments influence bystanders' decisions to intervene. Drawing on theories of dehumanization and the dual dimensions of social perception-agency and communion-we propose that bystanders' perceptions of the victim's humanity significantly shape their willingness to defend the victim. Additionally, we examine how hierarchical differences between the victim and the perpetrator, as well as the level of social presence in online communication environments, moderate these effects. Preliminary analysis reveals that both agency ($r = 0.177$, $p = 0.000$) and communality ($r = 0.213$, $p = 0.000$) significantly affect bystander intervention intentions overall. This effect is especially pronounced in cases of cyberbullying between co-workers, where both agency ($r = 0.260$, $p = 0.001$) and communality ($r = 0.272$, $p = 0.000$) play key roles, with social presence showing marginal influence ($p = 0.077$). In leader-to-member bullying, communality is a strong predictor of bystander intervention ($r = 0.259$, $p = 0.001$), while agency remains insignificant. Conversely, in member-to-leader bullying, agency significantly affects intervention ($r = 0.169$, $p = 0.041$), while communality does not. These findings confirm that dehumanization is a key factor influencing bystander defending behavior in workplace cyberbullying. Moreover, social presence may moderate the impact of dehumanization, particularly when it is low, as reduced social presence suppresses bystanders' empathy and likelihood to intervene. This research offers valuable insights into the mechanisms shaping bystander behavior in digital workplace environments and can guide interventions aimed at promoting supportive bystander actions.

Abstracts for Parallel Session 4

AI (Room: 501)

Title: AI in the Classroom: Barrier or Gateway to Academic and Labor Market Success?

Speaker: Isaksson Siri (1986)

Abstract:

Artificial Intelligence (AI) is becoming an increasingly important skill in the labor market, but will everyone be able to equally reap its benefits in the workplace? Recent research shows that current students --who will be facing this rapidly changing labor market-- are adopting AI tools at differential rates based on both gender and ability. Whether AI will affect adopters' academic and labor market success hinges on whether AI interferes with or enhances learning, which in turn depends on whether AI is being used as a substitute for or complement of effort. If AI harms learning, students with high adoption rates would be worse prepared for the labor market than those with low adoption rates. If AI enhances learning, students who do not become proficient at AI would be left behind. To assess the impact of AI on learning, we run a controlled lab experiment which allows us to restrict and allow access to AI in different between-subject treatment variations in which students learn about a new topic. We explore whether AI is employed in a way that causally creates a gap in learning, productivity and payoffs. Our results provide evidence on the important question of whether the documented differential adoption and use of AI by gender and ability is likely to create gender gaps in academic and labor market success. In addition, we explore several mechanisms such as confidence, attitudes towards cheating and prompting skills.

AI (Room: 501)

Title: Consumer Trust in AI Delegation: The Role of Explainability and Anthropomorphism

Speaker: DENG Zhixuan (HKUST (Guangzhou))

Abstract:

The growing application of artificial intelligence (AI) in consumer contexts has driven the shift from traditional recommendation systems to AI delegation agents. While AI agents offer benefits, they also raise concerns about trust, particularly regarding reduced consumer autonomy. This study examines the impact of explainable AI (XAI) and anthropomorphism on trust in digital marketplaces, particularly in high-agentic tasks. Using two 2x2 between-subjects experiments embedded in a modified trust game and shopping scenario, we assess how XAI and anthropomorphic features affect consumers' perceived capability of and trust in AI agents. We manipulate explainability and anthropomorphism through the use of avatars and language in the chat interface with the AI agent. Our first online experiment (N=900) shows that XAI significantly enhances these key variables, as well as subjects' perceived information provision and human-like traits. However, anthropomorphic AI agent does not show significant trust enhancement effects. Furthermore, the addition of anthropomorphism reduces trust in hedonic and low-priced product contexts, contrary to previous research findings that anthropomorphic features generally improve AI acceptance. Combining XAI with anthropomorphic cues does not create a synergistic effect, indicating that these elements may not complement each other as expected. To explore whether this weakening effect is due to participants' rejection of anthropomorphic cues or cognitive overload, we further conduct an eye-tracking experiment (N=60). This work provides valuable insights into the behavioral dynamics of trust in AI, emphasizing the need for a balanced integration of XAI and anthropomorphism in AI system design to avoid both blind trust and rejection.

AI (Room: 501)

Title: Willingness to Pay for AI to Detect AI.

Speaker: Fu Yuhao (Osaka University)

Abstract:

We embedded a ChatGPT-based chatbot into a laboratory setting to investigate whether participants are willing to pay more to cooperate with AI rather than with human peers in detecting deepfake (AI-generated) news. In multiple rounds of tasks, student participants were incentivized to assess the proportion of AI-generated content in the news, with task difficulty varying depending on the large language model (GPT-2 vs. GPT-4) used to generate the content. Across these rounds, participants demonstrated a higher willingness-to-pay (WTP) for cooperation with AI compared to human partners, despite AI not providing superior assistance. Although GPT-4-generated news proved more difficult to detect than GPT-2-generated news, participants' WTP for external assistance did not increase when facing more challenging tasks. Our study reveals an over-reliance on AI and raises concerns about the spread of deepfakes, thereby contributing to a deeper understanding of human-AI interaction and supporting advancements in deepfake detection in the Generative Artificial Intelligence (GAI) era.

Abstracts for Parallel Session 4 (Continued)

Gender and Discrimination 2 (Room: 502)

Title: Gender Differences in the Effect of Endogenous Pairing on Competitive Behaviors

Speaker: Tseng Wen Yu (National Taiwan University)

Abstract:

Competitiveness plays a crucial role in the persistent gender gap. In our experiment, we utilize a two-player Tullock contest to simulate competitive environments. Using a between-subjects design, participants are randomly assigned into one of the three treatments: (1) no information and no choice of opponents, (2) gender information provided but no choice of opponents, and (3) gender information provided with the ability to choose opponents. Variables that could potentially explain competitive behavior are also included, such as risk preferences and gender stereotypes. This study aims to investigate how endogenous pairing influences competitive behavior and how identity information shapes these decisions.

Gender and Discrimination 2 (Room: 502)

Title: Borrowed Plumes: The Gender Gap in Claiming Credit for Teamwork

Speaker: Walter-Dockx Anna (Vienna University of Economics and Business)

Abstract:

Teamwork is prevalent in many forms of production, but individual contributions to team output are often ambiguous. We investigate gender differences in claiming credit for contributions to teamwork. Using a large-scale online experiment, we study a teamwork setting with misaligned incentives: team members have an incentive to exaggerate their contribution, but this hurts their other team member. We find that men claim to have contributed statistically significant more than equally contributing women. We use two treatments to test social preferences and overconfidence as mechanisms for the gender claim-gap. Our findings show that the gender gap in credit-claiming is neither driven by gender differences in social preferences nor overconfidence. We provide evidence suggesting that men focus more on their payoff when deciding how much to claim, while women base their decision more on equality and honesty considerations.

Gender and Discrimination 2 (Room: 502)

Title: Gender bias in redistributive preferences

Speaker: Jimenez Jimenez Natalia (Universidad Pablo de Olavide)

Abstract:

This study investigates the role of stereotypes about gender abilities in explaining the existence of gender bias in redistributive choices, as recently found in Cappelen et al. (2023). Using a worker/stakeholder's design, we assess how gender bias in redistributive choices varies when spectators are provided with different information about the type of assignments undertaken by workers. To this aim, we compare redistributive choices when spectators are informed that workers have conducted an unspecified assignment, a male-typed (visual-spatial rotation) assignment, or a female-typed (facial emotion recognition) assignment. In line with Cappelen et al. (2023), we find that in the unspecified assignment, spectators redistribute more on average to female losers than to male ones. Unexpected, the average quantities redistributed to female or male losers are similar for both, the male and the female-typed assignment. Nevertheless, when redistribution is strictly positive, female losers receive significantly more (than male losers) in those previous scenarios. The gender of the spectator plays no role in the redistribution decisions in the sense that both female and male spectators transfer more to female than to male losers. There is only one exception in the male-typed assignment where male spectators transfer more to male than to female losers.

Abstracts for Parallel Session 4 (Continued)

Belief 2 (Room: 503)

Title: Noise and Bias

Speaker: Garagnani Michele (University of Melbourne)

Abstract:

Decisions are noisy ? human beings are not consistent in their decisions, no matter how much we control for the circumstances. Sometimes, decisions are also biased ? heuristics, behavioral rules, or preference reversals exhibit behavioral patterns which are systematic and predictable, but inconsistent with standard economic preferences (e.g. based on Bayesian updating or expected utility). This paper attempts to build a parsimonious, simple model of behavior encompassing both noise and bias. Noise is operationalized as a monotonic relation: with decreasing differences between alternatives (harder decisions), the likelihood of inconsistent choices increases ('strength of preference'). Biases are modelled via alternative decision rules following a dual-process view of decision making. The model delivers testable predictions that are 'diagnostic' for strength of preference and the presence of multiple processes. We validate the model with two experiments: one studies the conservatism bias in probability judgements, while the other focuses on the certainty effect in lottery choice.

Belief 2 (Room: 503)

Title: Evaluating the Impact of Third-Party Intermediaries on the Disclosure Game

Speaker: Tang Ruiqi (Waseda University)

Abstract:

In real life, there is often an information asymmetry between sellers and buyers. For example, aspects like a restaurant's hygiene status or the nutritional facts of food products may not be disclosed to consumers unless mandated by the government. Existing research indicates that sellers often choose to hide information regarding their product's disadvantages, and consumers may suffer due to insufficient suspicion regarding hidden information. Building on this, our study introduces several completely neutral third-party evaluation agencies between the information sender and receiver in the disclosure game model. In this model, the sender can still decide whether to disclose information to the receiver. However, if they choose to disclose, the information is transmitted to the receiver only after being 'processed' by a third-party evaluation agency. For example, universities aiming to attract students may wish to showcase their strengths. Still, students often rely more on ratings and rankings provided by neutral agencies that assess various aspects of a school's performance. This setup can lead to partial distortion and loss of information. Our goal is to investigate how participants behave in an experimental setting that incorporates some random factors or noise, making the model closer to real-world scenarios.

Belief 2 (Room: 503)

Title: The structure and gender gap of overconfidence

Speaker: Li Xueheng (Sun Yat-sen University)

Abstract:

Drawing from the psychology literature, we propose a theoretical framework to distinguish between three sources of overconfidence: prior overoptimism, overplacement, and non-Bayesian information processing. Guided by this theory, we design an experiment to examine these sources and their differences across genders. Participants complete a set of general knowledge questions and estimate their scores. Due to prior overoptimism and overplacement, participants significantly overestimate their scores, with males doing so slightly more than females. Prior overoptimism is particularly severe among weaker male participants. When participants receive noisy signals about their scores, overestimation is significantly reduced. Thus, most participants update their beliefs in the direction predicted by Bayes' rule. However, although the direction of updates is correct, the magnitude is insufficient: participants anchor too much on their initial beliefs than what Bayes' rule predicts.

Abstracts for Parallel Session 4 (Continued)

Charitable Giving 1 (Room601)

Title: Rebate versus Matching, Again: Does Self-selection Matter?

Speaker: Sasaki Shusaku (Osaka University)

Abstract:

Standard economic theory predicts that matching and rebate will have the same effect on individuals' donation behavior when the donation price is equivalent. However, several experimental studies have reported that their donation behaviors are promoted under matching more than under rebate. This study reveals how treatment effects of matching and rebate change when people can self-select whether to use such schemes or not. Although traditional experimental studies have measured the causal effects of mandatory policy assignment, real-world policies are often applied to only those who accept them. We conduct an incentivized nationwide experiment on 2,400 Japanese residents with four treatments, two 1:1 matching treatments (compulsory / self-selection) and two 50% rebate treatments (compulsory / self-selection), and provide the following findings: Initially selected amount under the compulsory matching is smaller than under the compulsory rebate, while total amount donated to the charity under the former scheme is larger than that under the latter scheme, which is consistent with the existing theories. The treatment effect on the total donation amount among those who self-select to receive the treatment is still larger under the matching scheme than under the rebate scheme, but this difference is further larger than that in the case when using compulsory treatments. The superiority of matching over rebate for the total donation amount becomes more pronounced in the case with a self-selection process.

Charitable Giving 1 (Room: 601)

Title: Beyond Commitment: Exploring the Role of Prosocial Incentives in Goal-Setting Effectiveness

Speaker: Su Yuxin (SKEMA Business School)

Abstract:

This paper examines the use of self-chosen goals to enhance individual performance, particularly in corporate social responsibility (CSR) contexts. While existing literature suggests that commitment mechanisms can strengthen the effects of goal-setting on performance, their effectiveness diminishes when tied to prosocial outcomes, indicating that commitment alone may be insufficient. To address this limitation, we propose a theoretical model that integrates self-chosen goals with prosocial incentives, showing that this combination significantly enhances motivation and performance. We conduct two empirical experiments to validate our framework. The first experiment, a randomized controlled trial with 438 participants, shows that self-chosen goal-setting combined with prosocial incentives improves performance. For high-ability workers, self-chosen goals enhance performance directly, while commitment negatively mediates this effect by leading to lower goal-setting. In contrast, prosocial incentives mitigate these negative effects. For low-ability workers, self-chosen goals improve performance, but both prosocial and commitment incentives exhibit negative indirect effects. The second experiment extends these findings to a real-world context, focusing on exercise adherence among 200 college students. Results indicate that participants receiving prosocial incentives achieved higher goal completion rates and overall performance compared to those relying solely on commitment. Our findings indicate that incorporating prosocial incentives as a form of commitment effectively addresses the limitations of traditional motivational strategies, promoting enhanced performance in CSR contexts. This research provides valuable implication for organizations aiming to boost individual effort through incentive schemes that align personal goals with broader social objectives.

Charitable Giving 1 (Room: 601)

Title: Do Donors to Charity Really Not Care About Effectiveness?

Speaker: Knowles Stephen (University of Otago)

Abstract:

The effective altruism movement argues that people donating to charity should target donations to charities that do the greatest good-per-dollar. The most effective charities are typically those involved in health-related projects in developing countries. However, most people living in the developed world prefer to donate to domestic causes and do not seem to consider the effectiveness of the charities they donate to. Laboratory and online experiments confirm most people do not donate to the most effective charities. We argue, however, that in these existing experiments it is not salient enough how much more effective the most effective charity is. We conduct an experiment to test whether people donate more to the most effective charity when the differences in effectiveness are large and salient. In our online experiment US participants are asked to divide \$50 between two charities providing school lunches. One charity provides school lunches in the US and the other provides school lunches in a developing country. In a within-subjects design, participants make three allocation decisions; what varies across the three decisions is how many school lunches can be provided in a developing country for the same cost as one lunch in the US. These relative cost ratios (of 2:1, 5:1 and 25:1) are based on actual data from the US and three developing countries. Participants know there is one-chance-in-ten that payments will be made to the two charities based on one of their three allocation decisions. Our design makes it very salient how much more can be achieved by donating to a charity helping people in the developing world. We find that donations to the overseas charity increase as the relative cost of providing school lunches in the US increases. This effect is strongest when participants are shown a visual image emphasizing how many more children can be fed in the overseas country.

Abstracts for Parallel Session 4 (Continued)

Field Experiments 2 (Room: 602)

Title: Who is Deterred by Automated Screening Tools?

Speaker: Vecci Joseph (Gothenburg University)

Abstract:

Labor is one of the most important parts of all companies' production functions, and hiring mistakes are expensive. As such, employers have always sought to be able to gather more information about applicants prior to making a hiring decision, but were limited by the cost (in both money and time) of such data collection. Recently, digital innovations and advances in AI have produced a range of job applicant assessment tools that are marginally low cost to use, leading to a proliferation of additional screening stages during the application process. However, these additional screening stages put a cost on applicants ? in terms of time, stress, and frustration ? and may also be differently costly to different groups. Despite this, there is a lack of causal evidence on the impact of various screening methods on applicant behavior, and no established best practices exist. In this project, we comprehensively study the impact of different hiring screening tools on real applicant behavior. To do this, we conduct a natural field experiment involving over 3,000 applicants, who are randomly assigned to one of six different screening methods. These methods include Zoom interviews, asynchronous audio or video interviews, with the latter two evaluated either by a human or AI. These screening methods are becoming increasingly popular, with recent survey evidence indicating that most large U.S. firms now employ at least one of them. We also include a control group with no screening. We find that, compared to the no-screening control, asynchronous Audio- or Video-interview stages are associated with a decrease in continuation by 44%-53%; alternatively, a more traditional synchronous zoom interview sees continuation decrease by only 9% compared to control. Women are generally more deterred than men by these additional screening stages, though asynchronous Video-interview screening, the most deterring Automated Screening Tool studied, deters men at a similar rate to women. We do not find evidence that applicants opt out at a greater rate under AI-based evaluations. We also find large differences in the quality of candidates by screening method. We then examine the scores of the different screen tools relative to a human screener. Again, we find large differences, with AI screeners preferring women and human screeners preferring men.

Field Experiments 2 (Room: 602)

Title: Enhancing the capital gains tax on property compliance: be precise, not graphical

Speaker: Celik-Katreniak Dagmara (City, University of London)

Abstract:

Efficient tax collection is essential for public institutions but often relies on self-reporting, which can open space for evasion. Merged data of changes in property ownerships from the Cadastre Portal of the Slovak Republic and the database of the Tax Administration of the Slovak Republic (TASR) of taxpayers revealed many resold properties in the last five years for which Tax was not paid. We aimed to improve tax compliance by sending inaugural reminder letters to the potential evaders, which had a significant effect on tax compliance and brought TASR in the first year an additional 2.5 million Eur. We tested various text versions of the reminder letter, each appealing to a certain personal motivation. The traditional reminders additionally improved neither the rate of response nor collected tax. However, messages warning the respondents that all their income taxes can be audited increased the declared taxes. On the contrary, a graphical tool added to half of each orthogonally selected letters, made respondents declare the tax less often and declare a lower amount of tax. We conducted a survey experiment (N=2,180) to understand the potential mechanisms behind the deterrence of leaflets. We ruled out information overload and complexity as salient factors and our findings underscore a notable decline in respondents' perceptions of the TASR competency and trustworthiness, concomitant with diminished anticipation of tax audits, as pivotal determinants. Having a price of the property mentioned in the letter, however, seems to make the tax obligation perceived more seriously and have even more subjects feeling obliged to pay with no further delay.

Field Experiments 2 (Room: 602)

Title: Norms and Diversity: Evidence from NYUAD Residential Colleges

Speaker: Zaccagni Sarah (Aarhus University)

Abstract:

We conduct a study with first-year New York University Abu Dhabi students in Abu Dhabi. We collect data from students via an online survey at the beginning and at the end of the first academic year. We exploit the random assignment of students to residential colleges to investigate how exposure to diversity influences norms. The objectives of the study are to: (i) use a vignette-based experiment to elicit personal, social and country-specific personal norms on three thematic areas ('Gender and Family Roles', 'Personal Freedom, and Sexuality', and 'Duty and Responsibility'); (ii) investigate how being exposed to normative diversity affects the following: the evolution of personal judgements and whether they will convergence or divergence, the accuracy of the prediction of how norms are distributed in the sample, preference for seeking employment abroad, and academic outcomes.

Abstracts for Parallel Session 5

Markets (Room: 501)

Title: Label Uncertainty and Socially Responsible Market Behavior: An Experiment

Speaker: Lai Ernest (Lehigh University)

Abstract:

Socially-responsible (SR) labels (e.g., fair trade, carbon-neutral, etc.) have become ubiquitous in product markets. Corporations use SR labels to advertise their socially responsible behavior and attract SR-concerned consumers. A major challenge with such labeling schemes is the uncertainty regarding the minimum requirements (or standards) necessary to obtain each label. For example, with uncertainty around label standards, consumers might suspect that firms are taking actions to look socially responsible, instead of truly acting socially responsible, and adjust their behavior accordingly. We study the effect of label uncertainty using product market experiments. In a posted-offer market, sellers are randomly assigned a product that either (a) imposes a large negative externality on a third party, or (b) a small negative externality, or (c) no negative externality. We also randomly assign a label standard in each round and sellers must decide whether to label their product (for a cost) as long as the minimum requirement is met. Specifically, with a very high standard only products with no externality can be labeled; with a moderate standard, products with either no negative externality or with a small negative externality can be labeled; and with a low standard, every product can obtain a label. In our uncertainty treatment, buyers observe if a product is labeled or not, but do not know the label standard for that round, whereas in our certainty treatment buyers observe both the label status and the label standard. We find that (a) buyers are willing to pay a higher price for labeled goods under both certainty and uncertainty; (b) buyers are willing to pay the highest difference for a labeled product when the label is perfectly informative of a low externality, (c) sellers with lower-quality products explore the uncertainty to obtain the (low standard) label and charge a higher price; and (d) total welfare is unchanged, with a larger consumer surplus (versus profits) under certainty.

Markets (Room: 501)

Title: Designing Markets: General Equilibrium and the Double Auction

Speaker: Williams Brett (University of New South Wales)

Abstract:

We test a simple, yet demanding, economy with non-convex preferences present in a general equilibrium paradigm. Traditionally, convexity is a key assumption in general equilibrium for the purposes of finding (or ensuring) equilibria, with the main deviation into nonconvexity being through indivisible goods. We run experiments with a two-good Edgeworth box economy pinning Leontief traders against $\text{Max}(\dots)$ traders (with both types being two-way traders) where goods are divisible and orders can contain multiple units. Final allocations and efficiencies are compared against theoretical and simulated benchmarks. Finally, we propose a new market format as a design solution to the drawbacks the continuous double auction (CDA) imposes on nonconvex traders.

Markets (Room: 501)

Title: Wisdom of the crowds versus experts - Evidence from experimental prediction markets

Speaker: deretic momo (sauder school of business)

Abstract:

We study the performance of an entrepreneurial start-up prediction market conducted as part of an entrepreneurship course at the University of British Columbia. The ventures traded in the market are ones created by student groups that they pitch to their peers. The students are issued securities of all the ventures and trade in a simulated market where prices reflect the probability of venture success. These market prices are compared to those determined by a panel of experts who hear the final presentations of the students and pose questions to them. We find that market predictions are positively correlated with expert predictions. In addition, the market predictions are more strongly correlated with those of the experts in thicker trading markets (eg, more transactions). We hypothesize that when combined with expert evaluation inside the firm, prediction markets may improve decision-making in seed funds like Incubators and Venture Capital (VC) firms.

Abstracts for Parallel Session 5 (Continued)

Belief 3 (Room: 502)

Title: Correlation neglect for a threshold signal

Speaker: Kamijo Yoshio (Waseda University)

Abstract:

This paper investigates biases and heuristics in the process of updating beliefs when individuals are presented with range signals. We focus on decision-making under uncertainty, where signals act as benchmarks for quality and competence. We suggest that people easily ignore the signal generation process, even when it is presented objectively and explicitly, and show the tendency of correlation neglect between a true state and a signal. We hypothesize that individuals who are trapped in correlation neglect tend to overestimate lower-bound signals and underestimate upper-bound signals. An economic experiment with college students confirms these biases and demonstrates the effectiveness of feedback in reducing bias. The study highlights the prevalence of the correlation neglect between a true state and a signal and its implications for decision-making.

Belief 3 (Room: 502)

Title: Talking across the aisle

Speaker: Tripodi Egon (Hertie School)

Abstract:

This paper investigates experimentally the drivers of self-selection into politically homogeneous interactions (echo chambers) as well as their effects on information aggregation and affective polarization. We identify both hedonic and informational barriers to cross-partisan interactions; specifically, partisans perceive interactions with counter-partisans as both more aversive and less informative than those with co-partisans. Subjects' pessimistic expectations about the extent to which they can learn from counter-partisans contain an element of truth: in the context of our experiment, subjects are indeed less successful at harnessing knowledge from counter-partisans than from co-partisans. We also show that cross-partisan interactions lead to a substantial reduction in affective polarization. Taken together, our findings suggest that policies that encourage cross-partisan interactions with the aim of reducing affective polarization and fostering information aggregation might be more successful at the former objective than the latter.

Belief 3 (Room: 502)

Title: The Effect of Contemporaneous Meat Consumption on Attitudes and Behaviors Towards Animal Welfare

Speaker: Zhang Shanshan (Wuhan University)

Abstract:

Animal welfare in meat production is concerning for ethical reasons. Research in psychology has shown that contemporaneous consumption of meat causes people to have less moral concern for farmed animals. Following this research, we run a laboratory experiment to test whether near contemporaneous meat consumption can affect behavior directly through information choice about animal welfare, contributions to an animal charity, and a proxy measure for political behavior. We also test for the indirect effects of meat consumption on our charity outcome and political outcome by way of its effect on information preferences. Though we find that meat consumption changes attitudes towards animals, and information changes charitable contributions, we find that meat consumption does not affect our behavior outcomes. The null result casts doubt on the extent to which shifts in attitudes translate to shifts in behavior. An online hypothetical experiment finds that information preferences are consistent with expected-utility theory, and we again find no evidence of motivated thinking on behavior.

Abstracts for Parallel Session 5 (Continued)

Gender and Discrimination 3 (Room: 503)

Title: Performance-Feedback

Speaker: Perry Ashley (NEW YORK UNIVERSITY ABU DHABI)

Abstract:

Feedback is important for the improvement of performance. We conduct an online experiment to study the nature of qualitative feedback and its effectiveness. Despite the prevalence of qualitative feedback, the prior experimental economics literature has focused almost exclusively on quantitative feedback. We examine how qualitative feedback informs beliefs and decision-making, and whether there are gender differences. In contrast to earlier work, we study the entire performance-feedback sequence: from task performance to beliefs about the performance to external evaluation to feedback to updated beliefs and actions. We run a panel study where writers complete an essay task, which is graded by evaluators who also provide written feedback on the task performance. In one treatment, writers face a choice to compete. In another, a choice to edit. Using sentiment analysis, we show that feedback is inflated when evaluators know that writers will see it. Nonetheless, it is still interpreted appropriately. There are no gender differences in the feedback given or how it is interpreted. However, prior to feedback women underestimate their performance relative to men. This suggests that, in order to correct for this prior difference, feedback should be gender specific. Furthermore, there are two channels through which feedback impacts the choice to compete: a belief channel and an encouragement channel. Women respond equally to both channels, whereas men are less responsive to the encouragement channel. Finally, choosing to edit improves the grade performance.

Gender and Discrimination 3 (Room: 503)

Title: Gender Discrimination in Online Negotiations-Evidence from a Field Experiment

Speaker: Adler Katharina (Friedrich-Alexander-University Erlangen-Nuremberg)

Abstract:

I study gender discrimination in online negotiations. To do so, I post simple classified advertisements on the largest platform for such classifieds in Germany and collect offers. I then ask for a discount and randomly sign the replies with a male or a female name, respectively. In the negotiations, I try to isolate statistical discrimination by using two treatment arms. The first treatment consists of the name only, whereas the second one signals knowledgability with the topic and negotiation experience. I study how often potential partners send a lower second offer as a reaction to the initiation of a negotiation and, if they send one, how large the discount is. Since all communication takes place via chat, I can apply Natural Language Processing (NLP) methods and text analysis methods to study potentially different communication with women and men.

Gender and Discrimination 3 (Room: 503)

Title: Gender Gaps in Social Status

Speaker: Espinosa Maria Paz (University of the Basque Country)

Abstract:

In this paper we explore gender differences in social status. We design an experiment to elicit shared beliefs about professional profiles' relative social worth and merit using a coordination game. Our main research question is whether shared beliefs about social status are independent of the gender of the person who has that profile and independent of the gender of the experimental subject assessing the status. We also explore whether individual opinions (not shared beliefs) are independent of the gender of the person who has the profile and independent of the gender of the experimental subject assessing the status. In our design the outcome is the individual assessment about shared beliefs on the social status of the professional profile, and the treatment variable is the gender of the profile (the treatment condition: 0 if male and 1 if female). We are also interested on the effect of the gender of the participant. The model also controls for participants' characteristics such as age, education, meritocratic beliefs, self-reported social status, values, as well as the type of professional profile (level and scope). We also explore whether individual opinions about status behave in the same way as the assessments of shared beliefs; for example, subjects may think there is a gender difference in the shared beliefs, although there is no such difference in individual opinions. We contribute to the understanding of gender gaps in a domain which has been largely unexplored in economics. The topic has been addressed in the field of Sociology (see Ridgeway, 1991; Ridgeway and Correll, 2006; Ridgeway and Erickson, 2000; Troyer, 2003; Webster and Hysom, 1998). Gender differences in social status are relevant in economics as they may be behind differences in wealth, income, etc. (Anderson, 2015). Moreover, we contribute an experimental design to elicit social status as a shared belief.

Abstracts for Parallel Session 5 (Continued)

Information 1 (Room: 601)

Title: Attention Utility: Evidence From Individual Investors

Speaker: Quispe-Torreblanca Edika (Leeds University Business School)

Abstract:

We introduce attention utility, the hedonic pleasure or pain derived purely from paying attention to information, which differs from the news utility that arises from gaining new information. The main, field, study examines brokerage account login data to show that investors pay disproportionate attention to already-known positive information on their stocks. Through its effect on logins, this selective attention affects their trading activity. Three experimental studies then show that (1) investors are more likely to engage in a paid task that will involve attention to a prior investment if that investment has gained value; (2) paying attention to a winning stock is more motivating than a doubling of monetary incentives; and that (3) attention has value independent of information acquisition.

Information 1 (Room: 601)

Title: Visual Attention and Herding: Insights from a Laboratory Asset Trading Game

Speaker: Gao Mei (Shanghai International Studies University)

Abstract:

We explore whether visual attention actively impacts trading behavior to provide insight into the neural foundations of decision making. In the laboratory, we use eye-tracking technology to measure information gaze during a sequential trading game. Before making decisions, each participant simultaneously receives information on the trades of other participants (others' decisions) and the redemption value of the asset (private information). We use a within-subject design to examine the impact of the incentive mechanism (linear vs. tournament incentives). We conclude that attentional priority is a cognitive mechanism that can account for the increased tendency to herd with disparate information and tournament incentives.

Information 1 (Room: 601)

Title: Information Disclosure in a Supermodular Game

Speaker: Du Ninghua (Shanghai University of Finance and Economics)

Abstract:

We experimentally study the effectiveness of information disclosure in a binary-action supermodular game with state-dependent payoff. An information designer, who observes the state, aims to maximize the choice of high (instead of low) action by the players who are unaware of the state. The players prefer the high action when the state is 'favorable'; when it's 'unfavorable', they prefer the low action. The designer utilizes information disclosure to induce high action. We find in the experiment that, compared to no disclosure, both truthful and persuasive disclosures can raise frequency of the high action. We also find that, contrary to predictions, persuasive disclosure fails to be better than truthful disclosure.

Abstracts for Parallel Session 5 (Continued)

Ambiguity 2 (Room: 602)

Title: Delay, Demand and Anticipatory Utility

Speaker: Xu Lingguo (The University of Melbourne)

Abstract:

This paper explores the relationship between anticipatory utility and delayed consumption. Conventional economic models assume that utility from consumption is experienced only at the moment of consumption, but certain goods can evoke strong anticipatory feelings that influence utility well before the consumption event. In a laboratory setting, we investigate how exogenously imposed delays in product availability affect individual valuation of the product and whether anticipatory utility moderates this effect. Participants engage in a gold mining game, where they wait for a gold nugget to be revealed and are randomly assigned to either a delay or no-delay treatment. Anticipation is measured by participants' willingness to pay for early information, with additional measures such as frequency of checking mining progress and self-reported excitement levels serving as robustness checks. The results show that delays generally reduce the valuation of the gold nugget, but this effect is primarily observed among low-anticipation individuals. In contrast, high-anticipation participants experience little to no change in valuation, suggesting that anticipatory utility may buffer against the negative impact of delays. A principal component analysis of the three anticipation measures confirms these findings, yielding more precise estimates of the relationship between anticipatory utility and delayed consumption.

Ambiguity 2 (Room: 602)

Title: Gender-Specific Behavioral Responses to Time Pressure in Insurance Decisions: An Eye Movement Analysis

Speaker: wang qian (Shanghai International Studies University, Songjiang Campus)

Abstract:

Unlike traditional studies on insurance decision-making, this research explores how time pressure, risk attitudes, loss aversion, and gender differences interact to influence consumer insurance purchase decisions, focusing on cognitive mechanisms such as gaze allocation and pupil dilation. Limited research has investigated how these psychological factors together shape insurance purchasing behavior under time constraints. Grounded in prospect theory and dual-system theory, we propose a framework that examines how time constraints and individual risk profiles influence decision processes and outcomes, with gender serving as a moderating factor. To test our hypotheses, we conducted a between-subject eye-tracking experiment and analyzed the data using generalized linear mixed-effects models. Our results indicate that time pressure reduces attention to loss-related information. Under time constraints, males tend to show stronger loss aversion and make more conservative choices, while females demonstrate greater risk tolerance. Pupil dilation data reveal that cognitive load varies by gender, affecting attention and decision outcomes. These findings shed light on the psychological and physiological mechanisms underlying insurance decisions and offer insights for behavioral finance and insurance marketing strategies.

Ambiguity 2 (Room: 602)

Title: On the Stationarity of Ambiguity Preferences

Speaker: Schutt Christoph (Helmut-Schmidt University, Hamburg)

Abstract:

When timing and uncertainty of outcomes are relevant a decision problem, common models of decision-making typically assume stationary preferences. The literature on time and risk preferences show that stationarity is often violated while there is little evidence on ambiguity preferences in this regard. We investigate the stationarity of ambiguity preferences in a laboratory experiment with a novel incentive mechanism based on real losses. We use the task of Kocher et al. (2018) who investigate decisions in the gain, loss and mixed domain in the present. In our experiment, subjects had to answer the same questions for outcomes paid in the present or eight weeks in the future. We find that decisions do not differ between the two time horizons. Furthermore, our results in the present replicate a four-fold pattern of ambiguity attitudes and are robust to personal characteristics such as intelligence and personality traits. Our results show that contrary to the domain of risk preferences, stationarity holds for ambiguity preferences.

Abstracts for Parallel Session 5 (Continued)

Networks (Room: Science Hall)

Title: The Fragility of Reputation while Sustaining Cooperation

Speaker: Horvath Gergely (Duke Kunshan University)

Abstract:

Reputation is a key cooperation-fostering mechanism, both in theoretical models and real-world scenarios (Manrique et al. 2021; Nowak, 2006; Takacs et al., 2021). However, real-life reputation systems are imperfect due to potentially noisy or manipulated information (Antonioni et al. 2016; Hilbe et al., 2018). Here, we experimentally study the robustness of the role of reputation when individuals can manipulate their public image and test to what extent the possibility to verify the accuracy of public information reinstates cooperation. As a control situation, we employ a standard repeated experimental protocol that combines reputation and network reciprocity, allowing people to observe others' past behavior and decide jointly with whom to interact and whether to cooperate or defect against all their network neighbors. In line with previous evidence, the level of cooperation is high and stable in this framework. In our first treatment condition, people can manipulate public information about their last action at a cost. Cooperation rates decline rapidly to zero in this framework, as about half of the participants engages in reputation manipulation. In our second treatment, in which subjects can both manipulate their public reputation but also verify others' reputations at a cost, neither the level nor the stability of cooperation recover fully. Rather, cooperation emerges to some extent but declines over time. These findings call for further investigation of the underlying mechanisms that contribute to the vital yet complex role of reputation systems in human societies.

Networks (Room: Science Hall)

Title: Bridging Individuals, Segregation and Cooperation: an Experimental Study

Speaker: LIU FANG (Nanyang Technological University)

Abstract:

In a laboratory experiment, we study how bridging individuals --- people who belong to multiple identity groups --- influence decisions on how to interact with others. We utilise a novel game which adapts Schelling's segregation model, examining subjects' movements on a two-dimensional board and their decisions of whether to cooperate with neighbours. In the experiment, we vary i) whether segregation between identity groups on the board is initially high or low and ii) whether bridging individuals are present. Our results show that bridging individuals have contrasting impacts on overall cooperation depending on whether segregation is initially high or low. We examine the mechanisms by which this occurs.

Networks (Room: Science Hall)

Title: Gender stereotypes and homophily in team formation

Speaker: Ductor Lorenzo (University of Granada)

Abstract:

Women are more educated today than they were 50 years ago. However, gender differences in labor market outcomes persist, even among individuals with the same level of education. Empirical studies suggest that these differences might be explained by variations in productivity and team composition. We design three between-subject experiments to study gender differences in productivity, expected productivity, and team formation. In our first experiment, men and women are asked to perform one of four different tasks (text, math, emotion recognition, and rotation). We find no differences in performance, except for the emotion recognition task, in which women do better than men. The results of our second experiment indicate that women are expected to perform better in text and emotions tasks. Finally, we conduct a third experiment where participants are subject to the task but have to select team members whose performance will affect their earnings. We observed a high degree of homophily (i.e., males tend to form teams with a majority of males and vice versa). This gender homophily decreases when participants are provided with information on the performance of males and females in the task. Our results shed light on how preferences influence team formation and the extent to which this effect can be mitigated by providing information on actual performance.

Abstracts for Parallel Session 6

Communication (Room: 501)

Title: Language and trade in artificial codes: The role of trade gains

Speaker: Guo Yiting (Lingnan University)

Abstract:

Historical accounts suggest that language evolves with the expansion of trade, particularly in the East-West encounters over recent centuries. This paper experimentally examines how trade benefits influence the development of a common language between individuals with different linguistic backgrounds, using a communication game in a highly abstract trade context. First, laboratory evidence shows that when individuals with different languages communicate, effective information transmission occurs, leading to the emergence of a stable common language. More importantly, trade benefits significantly influence emergent languages when two groups meet: the party that benefits more from the trade is more likely to adopt the language of the other. Additionally, trade gains encourage bilingualism, with those who benefit more being more likely to attain proficiency in both languages. This study provides new insights into how asymmetrical trade benefits shape emergent languages.

Communication (Room: 501)

Title: Discrimination and Pre-game Communication: An Experimental Investigation

Speaker: Wang Ding-Wei (National Taiwan University)

Abstract:

We conduct a Stag Hunt hiring experiment where workers decide on firm-specific investments and firms decide whether to hire the worker. In the Legacy Stage and Baseline Stage, we follow Dianat et al. (2022) to induce statistical discrimination across workers, who can be GREEN (advantaged) or PURPLE (disadvantaged). Subsequently, in the Policy Stage, we evaluate the efficacy of three policy interventions: removing firm access to worker types ('Pure Colorblind'), additionally allowing workers to voluntarily disclose ('Self-Disclosure') or further allowing workers to send a costly signal indicating their intention to invest ('Intention Signaling (with Self-Disclosure)'). We find equalization occurs under pure colorblind at the expense of advantaged workers, but is undone by their voluntary type disclosure. Intention Signaling induces coordination on the investing-hiring equilibrium and is utilized mostly by disadvantaged workers. These findings highlight the potential drawbacks of colorblind policies and point to costly signaling as a less problematic alternative.

Communication (Room: 501)

Title: Observability of Disclosure Rule: an Experimental Analysis

Speaker: Jin Ye (NYU Shanghai)

Abstract:

In information design theory, senders are assumed to commit to a disclosure rule. However, it's debatable whether the receiver can fully observe this rule in reality. We describe the sender's partial commitment as being limited to the part of the disclosure rule observable by the receiver. We conduct an experimental study on a realistic scenario of partial commitment, where only the distribution of realized signals can be observed, not the full commitment. The persuasiveness of a sender with partial commitment closely resembled that of Bayesian Persuasion when the sender has state-independent preferences or an alignment of interests between the parties. However, the sender's persuasiveness diminished when interests were misaligned.

Abstracts for Parallel Session 6 (Continued)

Communication (Room: 501)

Title: The impact of the layout of a meeting room on the extent of communication and the quantity of information exchanged

Speaker: Sasaki Masaru (Osaka University)

Abstract:

We conducted a randomized controlled trial to determine whether the quality and quantity of communication improve with increased openness in the layout of a meeting room. The trial involved pairs of four participants engaging in a 30-minute discussion task in a closed room with a curtain, which served as the control group (closed condition), and in a glass room without a curtain, which served as the treatment group (semi-closed condition). In addition to a third-party evaluation of the outcome, we used proxy variables for the quantity of communication, such as "number of laughs," "number and duration of silence," and "number of words in statements," as well as an "emotional polarity value" for the quality of communication. We also utilized fixed effects models as well as OLS in the text data analysis to estimate the effect of the semi-closed condition in five-minute increments. The findings of the analysis revealed that the third-party evaluation of the final product of the discussion was at most 4.4 percentage points higher in the semi-closed condition rooms. Moreover, in the semi-closed condition, there was an increase in the number of laughs and words in the discussion, as well as a decrease in the duration of silence during the early and middle phases of the discussion. Additionally, the percentage of negative words was higher at the beginning of the discussion in the semi-closed condition, while the percentage of positive words increased toward the middle of the discussion.

Coordination 1 (Room: 502)

Title: Dissolving the Volunteer Dilemma: Theory and Experiment

Speaker: Sudo Kento (Future University Hakodate)

Abstract:

In this study, we conducted a laboratory experiment comparing the strategic-form and extensive-form of the volunteer dilemma game. As predicted by theory, we found that a higher probability of volunteering success and fewer coordination failures are overserved in the extensive-form experiment. Structural estimation showed a tendency of regret aversion, but overall, the quantal response equilibrium was a better fit than inequality aversion.

Coordination 1 (Room: 502)

Title: Identity and Turn-taking in Groups

Speaker: CHEN SIYU (Nanyang Technological University)

Abstract:

This paper experimentally investigates coordination in the form of turn-taking in groups, focusing on the influence of groups' sizes and social identity. Subjects with different induced identities are assigned to groups that vary in their size (small or large) and identity composition (homogenous, heterogeneous, or none). Subsequently, they play a repeated market entry game where in each period, subjects choose whether to enter a high or low payoff market, both with limited capacities. In this game, efficiency and equity require members of groups to take turns such that only half of them enter a high-payoff market at any one time. Our results reveal that most small groups successfully establish turn-taking. In contrast, more than half of the large groups fail to alternate due to miscoordination or stubborn occupation. The impact of identity composition is primarily observed in the early stages: heterogeneous identities hinder coordination in small groups while facilitating alternating in large groups. These findings suggest that large group size makes effective turn-taking considerably more complex and that identity alone is not the key to solving the problem.

Abstracts for Parallel Session 6 (Continued)

Coordination 1 (Room: 502)

Title: The Courtesy Game: Efficiency and Inequality

Speaker: Meemann Christine (Helmut-Schmidt-University, Hamburg)

Abstract:

Using a laboratory experiment, we study a new game, the courtesy game. The courtesy game is a simultaneous two-player game in which each player must choose between two strategies, X and Y. Game parameters are designed such that both players' weakly dominant strategy is X, and the strategy profile (X, X) is a Nash equilibrium. Moreover, there are two other asymmetric Nash equilibria (X, Y) and (Y, X), that are Pareto efficient to the symmetric Nash equilibrium, and yielding the X-player the higher payoff. Thus, the Y-player is the courteous player, who accepts a lower payoff than her opponent in order to achieve efficiency. However, choosing Y is accompanied with a courtesy dilemma, since the strategy profile (Y, Y) yields the worst outcome for both players. In different variations of the game we test if players play the weakly dominant strategy X or the courteous strategy Y.

Coordination 1 (Room: 502)

Title: Coordination Within and Across Two Cultures

Speaker: Shachat Jason (Durham University Business School)

Abstract:

We study within- and cross-culture interaction in a Stag Hunt game, using a controlled online experiment with Chinese and American participants. We find that cross-culture interactions can have a positive impact on efficiency. American participants, particularly females, more frequently selected the efficient but risky action when facing a Chinese counterpart. Chinese male participants, instead, less frequently selected the efficient but risky action when facing an American counterpart. These behavioral asymmetries do not support the notion of cultural equivalence, nor the hypothesis that multiculturalism fosters strategic uncertainty.

Nudges 2 (Room: 503)

Title: Critical Women and Confident Men? Skills Perception and Investment at University

Speaker: Chen Liqing (University of Technology Sydney)

Abstract:

Technological advancements are reshaping traditional job roles, driving a growing demand and higher returns for social skills. However, it remains unclear whether university students are fully aware of which skills are most valued by employers, how best to develop them, or whether targeted information might influence their skill investments and improve their labour market outcomes. Meanwhile, the persistent gender gap in economics shows that women consistently earn less and have lower employment rates despite achieving higher completion rates in university. This gap raises an important question: would men and women respond differently to information intended to shape their skills perception? We conducted a stratified randomised information intervention in a UK higher education institution with third-year university students. Using linked university administrative records and a longitudinal survey, we examined how this intervention influenced students' university investments and job search strategies, focusing on gender-based differences in response. Our findings reveal that students generally hold accurate beliefs regarding employer-valued skills prior to the intervention. While the intervention has minimal impact on students' perceptions of employer-valued skills, it does affect how they think employers evaluate their skills based on CVs, with a negative treatment effect observed. Notably, women in the treatment group revise their self-assessment of skills downward after the intervention, while no significant effect is observed among men. These differing responses result in distinct changes in subsequent behaviours and outcomes. Furthermore, females in the treatment group revise their self-assessment of skills downward following the intervention, while no effect is observed among males. These differential responses lead to distinct subsequent changes in behaviours and outcomes. Treated women demonstrate increased participation in career events and improved academic performance, whereas treated men are more inclined to begin job searches earlier. For treated men, this early job search is associated with a lower likelihood of securing stable, long-term employment 2 years after graduation compared to their untreated counterparts.

Abstracts for Parallel Session 6 (Continued)

Nudges 2 (Room: 503)

Title: Timing matters: Three-study test of the effects of debunking vs. prebunking on trust in disinformation

Speaker: Šrol Jakub (Slovak Academy of Sciences)

Abstract:

Disinformation (i.e., intentionally deceptive and misleading information) has been recognized by the 2024 Global Risks Report of the World Economic Forum as the most severe short-term risk in the contemporary global society. Scientific evidence shows that disinformation may pose serious threat to public health and safety, as it is associated, among many other adverse psychological and social consequences, with decreased vaccination rates, increased support for violent protests, and increase in non-normative social behavior. It is therefore essential to search for and test interventions capable of mitigating the negative effects of disinformation. In one laboratory (N1 = 220) and two online (N2 = 476, N3 = 655) experiments, we measure trust in true, false and disinformation statements related to Russo-Ukrainian war and examine the effects of refuting disinformation statements with a corrective message containing factual information. By manipulating the timing of the message, we test whether it is more effective to refute disinformation after an individual was already exposed to it (i.e., to debunk) or to intervene before disinformation exposure (i.e., to prebunk). Additionally, in our models, we control for several variables related to participants' demographics, analytic thinking ability, various attitudes and beliefs regarding the Russo-Ukrainian war, and in one study, even reading literacy and political orientation. Across our three experiments, we consistently find that while Debunk intervention significantly reduces the trust in disinformation and the effect lasts for at least a couple of weeks, Prebunk intervention is effective only (i) for a very limited period of time or (ii) if it is applied just moments before exposure to disinformation. Thus, while prevention is generally considered to be cheaper alternative compared to reactance, our results suggest that well-aimed fact-based debunking intervention can have stronger effect compared to prebunking, which is often dependent on memory and recall. In addition, general forewarnings against not yet known disinformation can have unintended negative spillovers, because they can decrease the credibility of factually accurate information by increasing general distrust.

Nudges 2 (Room: 503)

Title: Empathy as a persuader in debt collection

Speaker: Huang Lidingrong (University of Verona)

Abstract:

We evaluate the impact of empathetic persuasion on debtors' willingness to start making repayments. We provide empathy-supplemented training to collectors of a large debt recovery agency in the Philippines. The clustered randomised control trial generated two groups of debtors (n=32,953), one group was approached by collectors who only received the general training on how to take debt collection calls; and the other group was treated by collectors who received the empathy-supplemented training. We find that being approached by an empathy-supplemented agent would improve the willingness to make a repayment promise by more than 9 percentage points (p-value=0.0000). Influenced by agents' empathy, debtors made more repayment promises. Moreover, we observe that debtors who were approached empathetically would be 27.7% more likely, at 1% significance level, to start making their first repayment.

Nudges 2 (Room: 503)

Title: Promoting eco-driving using personalized feedback and social comparison nudges: A randomized controlled trial of commercial vehicles in a business sector

Speaker: Uetake Kaori (Osaka University)

Abstract:

In this study, we examined the effectiveness of nudge messages incorporating personalized feedback and social comparison on nudge to encourage eco-driving and improve fuel efficiency of sales vehicles at a business site. A randomized controlled trial was conducted with 54 drivers from one firm in Tochigi Prefecture, Japan. They were randomly assigned to two groups, an intervention group and a control group, after considering age, fuel efficiency rank, and vehicle type. We sent an email encouraging them to improve their fuel efficiency for both group. The email contained a list of actions to contribute to fuel efficiency, as well as information on the economic and environmental benefits of achieving better fuel efficiency. In addition, the intervention group was informed of their own past average fuel efficiency results (km/L) and their ranking (top 25%, top 26-50%, bottom 50%) within the same vehicle type based on their past results at the same time. Emails were sent to the drivers twice during intervention period from the General Affairs Section of the company. A three-way ANOVA was conducted considering vehicle type (four types), month, and intervention, and found that the control group had significantly decreased by 0.7km/L average fuel efficiency from pre- to intervention period (p<0.05), while the intervention group showed no significant difference in average fuel efficiency during the period. This shows that the intervention incorporating personalized feedback and social comparison nudges was found to improve fuel efficiency approximately 4.8%. This study shows that personalized feedback and social comparison nudges can improve fuel efficiency of commercial vehicles. Further verification of the persistence of effects and heterogeneity of the intervention effect is needed.

Abstracts for Parallel Session 6 (Continued)

Risk 2 (Room: 601)

Title: The Power of Personal Control in Financial Risk Taking

Speaker: Kent Danielle (The University of Sydney)

Abstract:

This study provides evidence from three different sources, a randomized controlled incentivized experiment, a natural field experiment and a large-scale longitudinal survey, that people make riskier financial decisions after experiencing helplessness. I propose a new model that builds on prospect theory to incorporate biological mechanisms that explain the power of personal control in decisions under risk. The model does not require a probability weighting function and has the advantage of being cardinal, continuous and bounded, making it highly adaptable and generally applicable. An incentivized experiment involving 273 subjects shows that inducing helplessness using a validated induction causes significantly higher risky investment compared to the control group. Results from the experiment are robust controlling for baseline risk preferences, wealth effects, bounded rationality and gender. Three independent sources of evidence verify that a loss of personal control is a powerful determinant of financial decisions under risk.

Risk 2 (Room: 601)

Title: No hiding behind excuses in Public Goods Games

Speaker: Arroyos-Calvera Danae (University of Birmingham)

Abstract:

The relationship between contributions to public goods and their returns is often uncertain: consider corruption or inefficiencies in governments, or areas where our knowledge is limited such as climate change mitigation. Rational individuals may change their contributions to respond to this uncertainty, and we might also observe a reduction in contributions if people exploit this uncertainty and the plausible deniability about own's actions it creates to their advantage. This is in line with Dana, Weber, and Kuang (2007)'s finding that uncertainty in a dictator game gave people plausible deniability about their selfishness, as low receiver payoffs could be attributed to bad luck instead, and dictators were indeed less generous. We test whether people exploit uncertainty in public goods games (PGG) by using it as an excuse to free-ride. We administered five between-subjects treatments (including a baseline PGG). Across treatments, we varied whether the marginal per capita returns (MPCR) were certain or uncertain, and whether this uncertainty could give participants plausible deniability about their lack of contributions. We found no change in free-riding or average contributions across treatments, suggesting that cooperation under uncertainty is accurately captured by the standard PGGs with certain MPCR, and that uncertainty is not a barrier to cooperation in PGG settings.

Risk 2 (Room: 601)

Title: Group Identity and Social Risk Preferences

Speaker: Takeuchi Ai (Ritsumeikan University)

Abstract:

Whether and how individual's risk attitudes change between risks that only affects oneself (individual risk) and risks that involves other group members (social risk) had been studied widely under different environments. In this research, we investigate whether the group identity of the counterpart who shares the social risk affects one's risk attitude. Specifically, we investigate whether people are less willing to take risk when the social risk is shared with in-group members than out-group members compared to the individual risk, and whether this tendency is stronger among those who are more in-group biased. We examine the risk attitude of an individual who makes a risky choice for oneself and one's counterpart under social risk environments that differ in the payoff difference between the two parties. First, in examining the social risks that yield lower payoff for the decision makers than their counterparts in every state, we found that the decision makers who are more in-group biased were less willing to take risk when they share the social risk with in-group members, but not when they share with out-group members. We found no effect of in-group bias on the decision makers' risk attitude when they face the social risks that yield them higher payoff than their counterparts in every state. Second and more curiously, we found the similar risk attitude change in the decision makers when they face the social risk that generates the same payoff for the two parties in every state. This finding implies that preferences for social risks may depend not only on the payoff inequality as the previous literature suggested but on who to share the risks even under no payoff inequality.

Abstracts for Parallel Session 6 (Continued)

Risk 2 (Room: 601)

Title: Risky Choice and Boundary Conditions

Speaker: James Duncan (Fordham University)

Abstract:

We implement a multi-period individual choice problem, where the evolution of earnings across past rounds affects working capital available for the next round. In addition, we impose treatments which reinitialize working capital and/or hold out a bonus for not exhausting working capital (i.e. going bankrupt). This allows us to ascertain the effect of the proximity of the bankruptcy boundary on risky choice.

Methodology 2 (Room: 602)

Title: The Virtual Subject: Exploring LLMs as Substitutes for Human Participants in Experimental Economics

Speaker: Chen Wei James (National Taiwan University)

Abstract:

In this study, we investigate the potential of large language models (LLMs) to simulate human behavior in experimental economics, aiming to determine whether specific prompting techniques can generate decision-making patterns similar to those of real human subjects. We focus on a range of commonly used economic games to test the LLM's ability to mimic human responses. The games included in this study are the Dictator Game, Ultimatum Game, Linear Public Goods Game, Trust Game, Prisoner's Dilemma, and the Bomb Risk Elicitation Task. These games provide a broad overview of behaviors such as fairness, cooperation, trust, and risk preferences, all of which are key aspects of experimental economics. To explore the efficacy of LLM-based simulations, we use GPT-4o as our model and evaluate eight different prompt combinations. These combinations are based on three key factors: the simulation method (Iterative Simulate vs. Batch Simulate), the inclusion of reasoning (whether or not the LLM is asked to explain its reasoning), and the provision of theoretical predictions (whether or not we provide theoretical guidance such as optimal game strategies). Our results show that the combination of Batch Simulate, asking the LLM to explain its reasoning, and giving theoretical predictions produces the most accurate simulations. In half of the games tested, this combination results in decision distributions that are not significantly different from those observed in experiments with real human subjects. Specifically, in games like the Dictator Game and the Trust Game, this prompt combination leads to LLM-generated decisions that closely match the distributions of choices made by human participants, both in terms of fairness and reciprocity. In conclusion, our study demonstrates that LLMs, when properly guided through effective prompt engineering, can simulate human decision-making in economic experiments with a high degree of accuracy. This opens new possibilities for using LLMs in experimental economics research, providing a cost-effective, scalable alternative to traditional human subject pools for testing economic theories and behaviors.

Methodology 2 (Room: 602)

Title: Order effects in eliciting preferences

Speaker: Kopsacheilis Orestis (Technical University of Munich)

Abstract:

It has been recently suggested that combining items from quantitative behavioral tasks and qualitative self-reports can enhance the accuracy of elicited preferences that pertain to economic behavior. An important methodological question that still needs to be addressed is whether the order in which participants encounter quantitative and qualitative items influences the preferences elicited. We explore this question through three studies with a total of 3,000 participants, where we elicit preferences about risk, time-discounting, and altruism in variations of two conditions: Quantitative First and Qualitative First. We find significant and systematic order effects. Eliciting preferences through qualitative items first increases inferred patience and altruism (magnitude), while using quantitative items first enhances the cross-method correlation for risk and time preferences (consistency). While monetary incentivization inoculates time-discounting quantitative measures from magnitude order effects, altruism preferences are still affected. Moreover, framing qualitative items in a financial context increases consistency across methods. We discuss the implications of our findings in the context of nudging interventions aiming to increase charitable giving as well as for our understanding of the nature of preferences.

Abstracts for Parallel Session 6 (Continued)

Methodology 2 (Room: 602)

Title: Incentive-Compatible Elicitation is Identification

Speaker: Hu En Hua (University of Oxford)

Abstract:

An elicitation mechanism is incentive-compatible (IC) when agents truthfully reveal their type, and it is non-distortionary (ND) if agents' actions remain unaffected. What assumptions about the relationship between actions, types, and reports must the analyst make to achieve an elicitation mechanism that is both IC and ND? An underlying environment is identifiable (ID) if types can be inferred directly from actions, while reports are weakly truth-telling (TT) if agents break ties by truthfully reporting. Given ND, it is shown that IC is equivalent to TT or ID. Therefore, incentive-compatible elicitation has to be either trivially assumed or redundant to begin with.

Methodology 2 (Room: 602)

Title: Social Capital: Experimental validation of survey measures using a spatial comparative approach

Speaker: Ostbye Stein (UiT The Arctic university of Norway)

Abstract:

The social fabric, generally recognized as essential for economic and social transactions, is often referred to as Social Capital (SC), loosely defined as shared values and social beliefs that help groups to coordinate and cooperate. In the paper, we critically explore the validity of survey data commonly used to measure SC. The World Values Survey for example measure social trust in the SC section by asking the question 'Generally speaking, would you say that most people can be trusted or that you need to be very careful in dealing with people?'. Representative samples from different countries give surprisingly different answers to this question. For example, in France only 27 percent answer that most people can be trusted whereas in neighboring Spain it is 42 percent. To explore the validity of hypothetical survey questions in the SC context, we posed questions from the SC section from the latest wave of WVS in addition to letting subjects play multiple social dilemma games for eliciting SC through behavior and beliefs. The experiments were conducted in Spain (LEE at Jaume I University, Castelln) and France (LEEN at University Cte d'Azur, Nice) with 192 participants (recruited through ORSEE) in each location, sufficient to detect an effect size of 0.15 (corresponding to the difference in WVS mentioned above) with acceptable power. Sessions were conducted in fall 2022 and spring 2024. The experimental sessions contain multiple games played by each subject (repeated measurement). All games are one-shot and involve two players in a stranger-matching design. This setup allows us to elicit consistent play across multiple games inspired by Yamagishi et al. (2013) and recently strongly recommended by Haesevoets et al. (2022). The analysis of data was done both on the group level comparing Spain to France, and the individual level merging all data. The answers to the hypothetical survey items are qualitatively in line with WVS but less well identified in our much smaller sample (WVS had 3090 answers to the social trust question ? we have 384). The experimental results, on the other hand, overwhelmingly gave support to higher SC in France than in Spain and not lower as WVS suggests. As a summary and preliminary take away, it seems that the claim that simple survey questions represent a good substitute for more expensive choice experiments (Falk et al. 2016) may be overly optimistic in the context of SC. It appears that the participants from our two participant pools react differently to the same incentives. A large majority of subjects act consistently across different games. For France consistency in the sense of pro-social behavior, for Spain consistency in terms of pro-self (economic rational) behavior. Cognitive ability reduces the probability of consistent pro-social play, pro-social beliefs and age the opposite. Gender appears to have no effect. (References omitted because of space constraints)

Abstracts for Parallel Session 7

Political Economy 2 (Room: 501)

Title: Motivated Forecasts: Experimental Evidence from the Presidential Elections in Argentina

Speaker: Marino Fages Diego (Durham University)

Abstract:

The increasing polarization in political issues could potentially affect one of the most important inputs that policymakers need to make decisions, i.e., agents' expectations. I ask whether people's forecasts about important economic indicators are affected by their political preferences. I conduct a pre-registered online experiment (N=1162) in a high uncertainty political context given by the 2023 presidential elections in Argentina. I exogenously manipulate the incentives to report accurate forecasts about economic indicators. I find that incentivising responses reduces the gap between subjects' forecasts regarding the performance of the different candidates but providing information does not.

Political Economy 2 (Room: 501)

Title: The Allegiance Game

Speaker: GUI Shan (Shanghai University of Finance and Economics)

Abstract:

Existing literature has yet to explain why corruption persists when it provides limited benefits to both the briber and the recipient. We propose a model in which corruption acts as a form of 'membership certification' signaling a group member's allegiance to their leader. We design a novel 'allegiance game' to illustrate the model and test the theory in a laboratory setting.

Political Economy 2 (Room: 501)

Title: Enhancing Responsible Citizenship Through News Consumption: Insights from an Experiment on Newsfeed Composition

Speaker: Adena Maja (WZB Berlin Social Science Center)

Abstract:

In recent years, the landscape of information consumption has undergone significant transformation, with the role of traditional media sources declining as individuals increasingly turn to social media for news. This shift has resulted in the emergence of 'filter bubbles,' where users are predominantly exposed to information aligning with their pre-existing beliefs, contributing to polarization and misinformation. In response to these challenges, our study explores the effectiveness of a specially developed news app aimed at enhancing responsible citizenship through improved news consumption. Specifically, we investigate how complimentary access to news and varying the composition of a newsfeed can influence participants' news consumption, knowledge retention, and trust in media. Our experiment, involving approximately 500 participants, follows a longitudinal design to assess the impact of offering access to news and of varying proportions of high-quality articles—specifically, articles on current affairs and economics. Participants were randomly assigned to one of four groups: a control group that did not use the app and three groups receiving different mixes of high-quality news (30%, 60%, and 90%). The app incorporated gamification elements and push notifications to enhance user engagement. The experiment involved 4-6 weeks of app usage (excluding the control group) and included five surveys, each approximately two weeks apart. By collecting answers over this series of surveys, we aimed to capture changes in participants' political opinions, voting intentions, and overall knowledge of current events. Results indicate that access to the news app significantly enhances trust in media. Specifically, users in the high-quality news group demonstrated a marked increase in their trust levels compared to the control group, highlighting the positive influence of consuming reliable news sources on media perceptions. Additionally, our findings suggest that participants exposed to a higher proportion of high-quality content reported improved knowledge regarding current affairs. Conversely, individuals in the low-quality news group exhibited potential negative displacement effects, spending excessive time on irrelevant content, which hindered their overall information retention. While users in the low-quality treatment spent considerable time with the app and scrolled through the largest number of articles, the number of articles read did not differ significantly between treatments. However, the number of high-quality articles closely reflected the exogenously implemented proportions. Individuals with above-median preferences for high-quality news rated the app more favorably as the fraction of high-quality news increased. Their performance on a quiz about current affairs also closely followed the treatment variations for this group. In contrast, individuals with low pre-study preferences for high-quality news did not show a clear preference for any app version, and their learning did not correspond to the app composition. Regarding willingness to pay for adjustable news feed options, participants expressed a greater willingness to invest in customizable features when their initial assignment misaligned with their preferences. By analyzing how specific design features and content variations affect user behavior, we aim to understand what helps and hinders information processing and to provide actionable recommendations on how to combat misinformation and promote healthier news consumption practices.

Abstracts for Parallel Session 7

Political Economy 2 (Room: 501)

Title: Why Behave like Sheep? Conforming with Peers and Authorities

Speaker: Isler Ozan (University of Queensland)

Abstract:

We study whether and why compliance with peers and authorities can persist despite clear disadvantages and lack of informational mechanisms. Using a simple binary choice task between a conformist and non-conformist option, we conducted four preregistered online experiments ($N = 2,036$) with representative samples of the U.S. population. The conditions varied the source of compliance (peer behavior, authority rules, or authority requests) and its costs (zero, trivial, or non-trivial). We also assessed participants' understanding, attention, and reasoning behind their choices. Over 90% of participants complied with the authority-given rule when this had no cost. Even with a non-trivial cost and excluding participants who may have misunderstood the instructions or who were inattentive, around 60% of participants conformed. However, we found no evidence of a pure preference for peer conformity. Less than 50% of participants followed the choice of a peer at zero cost (i.e., less frequently than random choice). Even with a trivial cost or as many as six peers engaged in the same action, peer compliance remained below 12% and indistinguishable from control treatments without peer information. Our results show widespread compliance with authority rules and requests, while peer effects appear driven by factors beyond a pure preference for conformism.

Abstracts for Parallel Session 7 (Continued)

Political Economy 2 (Room: 501)

Title: Decision making in courts: An experimental study

Speaker: Grosser Jens (Florida State University)

Abstract:

We experimentally study a spatial model of decision making in courts (such as the U.S. Supreme Court) where justices with different ideological positions form distinct opinion groups. The majority group writes an opinion that is relevant for future related cases, so justices have an incentive to become a majority member and write the opinion. We explore different mechanisms of how to allocate opinion writing to majority justices, including assignment by chance and by the chief justice. Our experimental results strongly support many of our qualitative Nash predictions, and quantal response equilibrium (QRE) further improves these predictions. Finally, our data also link well to several observations from courts in the field.

Public Goods 1 (Room: 502)

Title: Punishment and reward in multi-group resource appropriations: an experimental approach

Speaker: Wakamatsu Mihoko (Tokyo University of Marine Science and Technology)

Abstract:

A commons dilemma arises in situations in which groups of individuals jointly rely on a resource and individuals' rational decisions to use the resource are sub-optimal from the perspective of the group. Furthermore, many resources are used by more than one group, leading to particularly convoluted situations in which one group's use unilaterally affects the use of the other groups. For example, it is common for multiple groups to share the water resources of a river. In that case, a decision by a user potentially affects all users downstream but does not affect users upstream. In this paper, we develop a model to analyze cooperation in unilateral externality resource appropriations and test it using a laboratory experiment. We are interested in understanding an effective mechanism to foster cooperation among advantaged (upstream) appropriators, and in particular how such a mechanism can be exerted by disadvantaged (downstream) appropriators. Building on the literature showing the efficiency of punishment in a public goods game, we examine how empowering disadvantaged appropriators to punish and/or reward advantaged appropriators affects cooperation in a multi-group environment. This study modifies a standard CPR game relied on in previous studies. We adopt a model of spatially linked groups of users of a CPR to represent multi-group appropriations in which a privileged (advantaged) group's appropriations reduce a disadvantaged group's use of the resource. Each session of the experiment involved 16 subjects who were randomly assigned to groups of 8 members in the multi-group setting (four advantaged and four disadvantaged members). In the first half of the experiment, participants made eight decisions about whether to invest some or all of an endowment of 14 tokens in a group account (CPR) or in a private account. The subjects in each group were also randomly assigned a type ? advantaged (group 1) or disadvantaged (group 2) ? and those characteristics were maintained throughout the session. In this second half of the experiment, participants were provided with new instructions that specified what option was allowed after they made their investment decisions. Under the punishment (reward) treatment, with trivial costs disadvantaged members were allowed to send punishment (reward) points to advantaged members, whose earnings are reduced (increased) proportionately by the number of points received. Although we find some significant declines of appropriation rates using the Mann-Whitney-Wilcoxon tests, a more rigorous assessment using the DiD indicates that there is no statistically significant impact associated with the three treatments. In order to gain further insight into the treatment effect at the individual level, we examine whether independent players alter their investment in response to the points of punishment or reward that they receive. With regard to reward-only treatments, the receipt of a reward is found to be significantly and negatively correlated with the level of individual investment. However, the negative effect is reversed when the punish-and-reward treatment is introduced.

Public Goods 1 (Room: 502)

Title: Valuing Private and Public Mortality Risk Reductions: A Survey Experimental Test

Speaker: Liu Ao (Kyoto University)

Abstract:

The Value of Statistical Life (VSL) is a widely used metric in cost-benefit analysis (CBA) for policymaking that aims to reduce fatality risks. Traditionally, VSL estimations in stated preference studies have not differentiated between the public and private attributes of the goods or services presented in hypothetical scenarios. However, individuals may exhibit different willingness-to-pay (WTP) values depending on whether the risk reduction benefits are private or public in nature. For public goods, risk reductions benefit not only the individual but also others within the population, which can lead to potential double-counting in VSL estimates. Altruistic respondents may report higher WTP for public goods, while those less inclined to contribute may 'free ride' and report lower WTP. This paper investigates the differences in VSL estimates between private and public scenarios in the context of a hypothetical vaccine for COVID-19-like disease. Specifically, we aim to answer: Do VSL estimates differ significantly between private and public scenarios? And how do social preferences, such as altruism, and economic preferences, like risk aversion and patience, influence these differences? We conducted an online survey experiment with a sample of 1,825 respondents in Japan in July 2022. Individual WTP was elicited using novel dynamically optimized sequential experiment-contingent valuation modules. Respondents were randomly assigned to either a public scenario or a private scenario. In the public scenario, the description stated that the beneficiaries of the policy could not be specified, but on average, 9 people per 100,000 population would benefit and survive. In the private scenario, respondents were asked whether they would be willing to pay for an individual measure to reduce their own risk of dying by a factor of 10. We included the Global Preference Survey items to measure respondents' economic preferences and an incentivized donation experiment to rate their altruism. Then, we employed a two-part model in the main analysis. Our analysis reveals a statistically significant difference in WTP for public versus private scenarios. On the extensive margin, individuals with greater patience and risk tolerance exhibit a significantly higher likelihood of expressing a positive WTP. Altruistic individuals show a stronger willingness to pay (WTP) in public goods contexts. On the intensive margin, respondents tend to report a lower WTP in public contexts, even after accounting for economic and social preferences. Additionally, altruistic and risk-taking individuals generally report higher WTP across both contexts. This study sheds light on the role of altruism in shaping VSL on both the extensive and intensive margins with a stated preference approach. We find that the mean VSL for a hypothetical COVID-19-like disease among the Japanese population is estimated at \$6.1 million in public goods scenarios and \$8.1 million in private goods scenarios. Altruism, risk and time preferences significantly enhance the reported WTP. These findings underscore the importance of accounting for social and economic preferences in SP studies.

Abstracts for Parallel Session 7 (Continued)

Public Goods 1 (Room: 502)

Title: Concealment to Protect: The Effects of Information on Higher-Order Punishment

Speaker: FU Tingting (Beijing Jiaotong University)

Abstract:

A topic of continuing interest in economics is how to promote cooperation when there is a conflict between social and individual interest. Experimental economists usually use voluntary contribution mechanism to study this problem, in which subjects decide how much of their endowment they wish to contribute to a public account and how much they wish to keep to themselves. Many experimental studies have proved that the possibility of peer punishment can promote cooperation in a social dilemma. Although the fear of punishment has a positive effect on cooperation, and most punishment is targeted at low contributors, we cannot ignore the fact that subjects can punish not only free riders but also cooperators. Given the presence of revenge, there are competing claims about whether the opportunities for higher-order punishment help or undermine cooperation. This research uses the methodology of experimental economics to explore the effect of punishment and study how subjects react when fuller information and higher-order punishment opportunities are introduced in a voluntary contributions experiment. Varying the information available to subjects in a voluntary contributions experiment, this study finds that the information about the punishment of subjects matters. Through changing information structure and punishment restrictions at the higher-order punishment stage, the results can be strikingly different. The possibility of higher-order punishment is beneficial to cooperation when full information about punishment is available, but harmful when the subject knows only who punished them before. When the information about the punishment of the subject himself is concealed and revenge is avoided, treatment on higher-order punishment without informed counter-punishment achieves the highest cooperation level.

Public Goods 1 (Room: 502)

Title: Inequality and Cooperation

Speaker: Kingsley David (University of Massachusetts Lowell)

Abstract:

This paper investigates the capacity of groups to cooperate using peer punishment when group member endowments are unequal. In contrast to much of the literature, the public good is designed to allow groups to maximize group earnings (the efficiency condition) across a variety of contribution patterns. Specifically, several plausible contribution norms (equal contributions, equal proportions of endowment, and equal earnings) all satisfy the efficiency condition. Across three treatments, the extent of the inequality is varied by altering the size of the middle-class. Preliminary results suggest that increasing in inequality (shrinking of the middle class) decreases the effectiveness of peer punishment. By estimating the contribution norms suggested by the deployment of peer punishment I document that as the middle class shrinks, normative conflict disrupts the capacity of groups to coordinate on beneficial norms.

Auctions 2 (Room: 503)

Title: SELLING ORDER MATTERS IN SEQUENTIAL AUCTIONS: EXPERIMENTAL EVIDENCE

Speaker: Buyukboyaci Muruvvet (METU)

Abstract:

Multi-good auctions are frequently encountered in real life and involve both local and global bidders. Local bidders focus on winning a single good within their local market, while global bidders can gain additional synergies by winning all goods. In this paper, we investigate how the order of selling two goods in a second-price sequential auction impacts efficiency, revenue, and bidding behavior, particularly when one good's valuations are drawn from a distribution with nearly zero variance. Our experimental findings confirm the theoretical prediction that revenue is higher (lower) when the low-variance good is sold first (second). However, we also find that bidders do not always bid as expected based on theory. Notably, losing the first good appears to prompt bidders to raise their bids for the second good beyond theoretical predictions, suggesting that emotions may play a role in bidding behavior.

Abstracts for Parallel Session 7 (Continued)

Auctions 2 (Room: 503)

Title: A Common Value Contest

Speaker: Noussair Charles (University of Arizona)

Abstract:

We compare the Tullock game with English, First-Price, and All-Pay auctions in a common value environment. We consider both two- and six-bidder settings. We find that the Tullock and All-Pay auctions generate much higher revenue than English and First-Price auctions. The English and First-Price auctions generate slightly more than the equilibrium revenue, while that of the Tullock auction is much higher.

Auctions 2 (Room: 503)

Title: Communication and information revelation in infinitely repeated auction experiment

Speaker: Kobayashi Hajime (Faculty of Economics, Kansai University)

Abstract:

This study experimentally examines the effects of communication and information revelation on collusion in infinitely repeated first-price auctions with independent private values. Bidders can communicate before the auction to share information about their valuations, while post-auction feedback varies between revealing only the winner's identity (partial information revelation) or both the winner's identity and all submitted bids (full information revelation). Theoretical models suggest that collusion can be sustained in repeated auctions depending on communication and the extent of information revealed. Based on these theoretical predictions, our experimental design tests two hypotheses: (H1) with communication, bidders will fully collude regardless of the information structure; (H2) without communication, bidders will collude more efficiently under full information revelation than partial information revelation. Our results indicate that when communication is allowed, bidders collude more effectively under full information revelation than under partial information revelation. First, we found that communication did not promote full collusion. Specifically, about 30% of participants lied about their valuations, and more than 50% refrained from disclosing their true values to other bidders. Second, the winning bid was significantly lower under full information revelation than in partial information revelation treatment. Examining the underlying individual bidding functions, we found that bids were lower for each valuation under full information revelation than partial information. However, we did not observe the type of collusion suggested by theory, which involves asymmetric bidding between previous winners and losers. On the other hand, allowing communication did not generate the above differences. Finally, consistent with these observations, we found that allowing communication did not affect the efficiency of collusion; however, full information revelation increased the efficiency of collusion compared to partial information revelation. These findings highlight the significant role that information revelation policy plays in influencing collusion.

Auctions 2 (Room: 503)

Title: Focal Points in Experimental All-Pay and Winner-Pay Auctions with Similar Items

Speaker: Wang Joseph Tao-yi (National Taiwan University)

Abstract:

In this study, we compare bidding behaviors in winner-pay and all-pay auctions for six bidders (with independent private values) competing for two similar items where the second is valued at 20%, 40%, or 80% of the first. We find that bids are highly correlated with the second item valuation in winner-pay auctions, exceeding equilibrium prediction for the case of 80% but underbidding for the case of 20% and 40%. For the case of 20% and 40%, many subjects deviate from such focal-point bidding when their valuations are high, resulting in overbidding. In all-pay auctions, we find many zero bids when valuations are low, but more overbidding when valuations exceeded 700. The observed focal-point bidding in winner-pay auctions generate higher efficiency than all-pay auctions. Additionally, all-pay auctions generate revenue close to equilibrium prediction after overbidding in the first five rounds. Winner-pay auctions generate revenue similar to all-pay auctions for the case of 20% and 40%, but significantly higher revenue for 80%.

Abstracts for Parallel Session 7 (Continued)

Groups 2 (Room: 601)

Title: The effect of migrant work on cooperative behavior: An experimental study in Nepal

Speaker: Chen Roy (RWTH Aachen University)

Abstract:

Migrant workers make up a significant fraction of the global work force. In an artefactual field experiment, we explore how ethnic tensions are affected when these workers return to their home countries. The 633 subjects are male Nepali return migrants from one of two ethnic groups with a contentious history. As part of larger one-to-one survey, these subjects play several public goods games and a dictator game either with members of their own ethnic group or with members of the other ethnic group. In order to study the effect of migrancy with a subject pool consisting entirely of return migrants, we prime half of the subjects' 'migrant identity' before they play the games. We find that subjects have a baseline level of ingroup bias, which is eliminated by the priming of the migrant identity. Subjects are also more willing to trust outgroup third-party punishers (arbiters) if they received the migrant prime. These results indicate that migrant work can create a unifying social identity, potentially overcoming pre-existing social divisions.

Groups 2 (Room: 601)

Title: Differential listening in diverse teams

Speaker: Recalde Maria (U of Melbourne)

Abstract:

Conflict and communication difficulties are commonly cited as reasons for why assembling diverse teams does not generate its expected benefits. This paper studies a possible mechanism underlying this result: the voices of women and minoritized racial/ethnic groups are disproportionately discounted. In an online experiment, we study differential listening in diverse teams in a hiring context, where committee leaders aggregate input from committee members when selecting a wage to offer a job applicant. We find clear evidence of differential listening by race. Committee leaders are less influenced by input from Black committee members than they are by white committee members. We also find that only some leaders engage in differential listening; specifically, white leaders discount Black committee member input. Exploratory analysis looking at the intersection of race and gender reveals that both white women and men discount the input of Black men (relative to white men); we also find some evidence that the input of Black and white women is discounted relative to that of white men. When examining mechanisms, we find no evidence of differential listening when we reveal information on committee members' prediction abilities, suggesting that inaccurate beliefs explain discrimination in this setting.

Groups 2 (Room: 601)

Title: Gender Differences in Attribution Across Strategic and Non-Strategic Settings

Speaker: Lozano Lina (New York University Abu Dhabi)

Abstract:

This paper examines the existence of a gender gap in how men and women attribute success and failure to themselves or others, and whether these differences persist under strategic incentives. Through an online experiment, participants justify the outcomes of a joint task in a knowledge quiz, where responsibility for the result can be assigned to their own ability or to another's. The results show that women, compared to men, are more likely to blame themselves for failures and less likely to take credit for successes. This gender gap in attribution persists even when participants know their attributions will be shared with a potential employer. These differences remain significant after accounting for individual performance and beliefs about performance. Moreover, I find that this attribution gap affects hiring decisions and earnings, with employers favoring participants who attribute failures to others and take credit for successes. Finally, when the gender of the workers is revealed to the employer, the gender gap in earnings reverses, indicating that employers may anticipate these gender-based attribution differences.

Abstracts for Parallel Session 7 (Continued)

Groups 2 (Room: 601)

Title: Rationality and Preference Aggregation of Group Decisions under Risk

Speaker: Choi Syngjoo (Seoul National University)

Abstract:

In this paper, we study three fundamental questions on group decisions: (1) does group rationality originate from individuals' rationality? (2) are members' risk preferences reflected in group decisions? (3) Do groups make Pareto efficient choices? In our experiment, the subjects made choices over a consumption bundle on a linear budget set, 18 times in isolation, and 18 times in pairs. Several results emerge from our analysis. First, we find that rationality risk preference of group choices are remarkably heterogeneous depending on members' rationality and preferences. Nevertheless, we see strong evidence for rationality extension and preference aggregation. Second, we detect significant heterogeneity in efficiency across groups, even when members are highly rational. Third, we present the relationship among group rationality, group risk preference, and Pareto efficiency as well as effects of socio-demographic characteristics, friendship network, and cognitive ability on group choices.

Trust 2 (Room: 602)

Title: Narratives, Actions and Impact on Dishonesty

Speaker: Burdea Valeria (LMU Munich)

Abstract:

People's moral actions are systematically influenced by different justification arguments. In this study, we are interested in understanding the effect of such narratives in support of an (im)moral action on other people's decisions and how this effect differs when actions are more or less consequential for others. Our focus is on narratives that people use when faced with a decision that involves a trade-off between being honest and maximising own material payoff. In addition, we look at whether any observed influence of these narratives is due to them simply suggesting an action or because of the justification provided for that action. To do so we implement two pre-registered experiments (N~5000), where we vary: (a) impact: whether dishonesty generates smaller (LOW) or larger (HIGH) harm for another participant (b) information: whether, before deciding whether to lie, participants are presented with no social information, other participants' positive narratives promoting honesty, other participants' negative narratives promoting dishonesty, other participants' honest actions, or other participants' dishonest actions. Our results highlight the importance of impact: narratives have a positive influence on truth-telling, but only in the HIGH treatments. The effect is driven both by the justification itself and the signal of an honest action. Interestingly, negative narratives do not promote deception.

Trust 2 (Room: 602)

Title: Delegated bribery: An experimental study

Speaker: Yang Yadi (Nanjing Audit University)

Abstract:

We propose a model to experimentally investigate the role of delegated bribery, a phenomenon observed across various sectors where individuals employ intermediaries to facilitate corrupt practices. Delegated bribery may offer two key advantages: increasing the likelihood of success or reducing the risk of punishment. Our experiment includes three treatments: one allowing only direct bribery, one providing the option to delegate bribery through an agent to enhance success chances, and another enabling delegation to lower the probability of punishment. Our findings show comparable overall bribery participation rates and average bribery amounts between direct bribery and delegation when the latter increases success likelihood. However, when the delegation option reduces punishment risk, we observe a modest increase in both the proportion of participants engaging in bribery and the average bribery amount. The distribution of subjects choosing direct versus delegated bribery also varies by the type of benefit; participants show a stronger preference for delegation when it enhances success rather than mitigates punishment risk. These findings provide valuable insights for crafting anti-corruption policies aimed at reducing the attractiveness of delegation in corrupt activities.

Abstracts for Parallel Session 7 (Continued)

Trust 2 (Room: 602)

Title: Discrete Choice under Oaths

Speaker: Shogren Jason (UNIVERSITY OF WYOMING)

Abstract:

The Discrete Choice Experiment (DCE) remains by far the most popular mechanism used to elicit preferences for non-market goods and services. Yet, the actual reliability of DCE still is questionable. Using an induced value experimental design, we show that standard benchmarks achieve no better than 56 to 60% of payoff-maximizing choices. In this paper, we assess whether a truth-telling oath implemented before the DCE improves the reliability of elicited preferences. Three key findings emerge. First, having respondents voluntarily sign a truth-telling oath achieves a 50% improvement in payoff-maximizing choices. According to response times data, this is achieved thanks to increased cognitive effort. The induced-value design moreover allows us to directly measure a well-documented channel of DCE unreliability, i.e. attribute non-attendance. Using this measure, we show this increased cognitive effort induces a significant decrease in attribute non-attendance under oath. Second, based on structural utility models, we show the usual welfare measures inferred from DCE responses are unbiased if and only if respondents were first exposed to the truth-telling oath. Third, we show that the type of oath matters to improved DCE decision making—the commitment to honesty via the truth-telling oath improves choices, whereas an oath to task or an oath to duty did not improve choices.

Trust 2 (Room: 602)

Title: Loneliness and trust: evidence from a large-scale trust game experiment

Speaker: Hopfensitz Astrid (emlyon business school and GATE)

Abstract:

Trust behaviour and being trusted are influenced by a multitude of individual and situational factors. Loneliness is a factor which has recently been hypothesized to be related to trust. Societies and governments are increasingly concerned with the rise of loneliness and a negative impact on trust might add an additional social cost of loneliness. To evaluate the economic risk of loneliness we present results from a large, incentivized trust experiment conducted with more than 27000 respondents. Our study allows us to investigate: (i) the relationship between self-reported loneliness and behaviour in an incentivized trust situation as well as (ii) the impact of knowing about the loneliness status of others on behaviour. Contrary to what the literature hypothesized, we observe no negative correlation between self-reported loneliness and trust in the trust game: lonely individuals are more trusting than individuals who are not lonely. Higher trust by lonely individuals cannot be attributed to more optimistic beliefs of returns but seems to reflect a larger willingness of the lonely to take the social risk associated with trusting in the trust game. We further observe that being informed that an interaction partner is lonely, leads to beneficial treatment of the lonely. Individuals known to be lonely are significantly more likely to be trusted, and they benefit from their partners acting in a more trustworthy manner. Behaviour that cannot be attributed to strategic concerns. We conclude that loneliness should not be considered as a deteriorator of social capital, but as an emotional state that organizations should acknowledge, to enable individuals to reconnect to others.

Macro & Finance (Room: Science Hall)

Title: The Strategic Benefit of Information Sharing in Financial Markets: An Experiment

Speaker: Eko Riyanto Yohanes (Nanyang Technological University)

Abstract:

In financial markets, investors frequently share market insights on social media. Intuitively, sharing information comes with a cost, because it might diminish their informational advantage and hence their trading profits. Understanding why they share and what benefits they gain is essential. This paper examines information-sharing incentives under asymmetric information, focusing on its effects on profitability, trading behavior, and market efficiency. Our findings reveal that less-informed traders benefit from sharing, and trade more aggressively. Highly informed traders strategically counteract this shared information, reducing their own trading intensity and profits. Ultimately, information sharing enhances market efficiency, offering key insights into investor communication and trading strategies.

Abstracts for Parallel Session 7 (Continued)

Macro & Finance (Room: Science Hall)

Title: Feedback Loops in Asset Prices: The Endogeneity of Stock Market Prices and Bank Runs

Speaker: Choo Lawrence (University of Macau)

Abstract:

A core economic principle is that a firm's information is reflected in its price, allowing firm's customers to adjust their interactions with the firm accordingly. If traders anticipate these adjustments, a feedback loop may emerge, distorting prices from their baseline. We test this feedback loop within an experiment that embeds an asset market in the Diamond-Dybvig bank-run framework, introducing asymmetric information between traders and bank depositors about the bank's financial health. The stock value for informed traders depends on whether uninformed depositors' actions lead the bank to survive or fail, and we manipulate depositors' ability to observe the trading market. We find that prices are significantly higher when depositors observe the market, regardless of positive or negative news. This suggests traders may inflate prices to mislead depositors about the bank's stability. Our findings provide evidence of the feedback loop and highlight its potential role in observed market mispricing.

Macro & Finance (Room: Science Hall)

Title: Trading on Hearsay: Influencers' Investment Horizon and Credible Information Sharing

Speaker: Roy Nilanjan (City University of Hong Kong)

Abstract:

We design an experiment featuring strategic information transmission from a privately informed investor capable of swaying followers' investment decisions through a cheap-talk message. Confirming recent theoretical predictions, we find that a short investment horizon of influencers encourages credible information sharing among investors. Followers trade in the direction of the message from a short-term influencer but ignore a long-term influencer's communication. Consequently, short-term influencers generate price impact through their messages, which increases with the transparency of the trading institution, while long-term influencers cannot affect the market price. The informational efficiency of asset prices is invariant to the influencer's investment horizon.

Macro & Finance (Room: Science Hall)

Title: Experimental Evidence on Currency Competition in Integrated Economies

Speaker: Zhang Cathy (Purdue University)

Abstract:

This paper implements a laboratory experiment to study how economic integration and relative country sizes affect competition between two intrinsically worthless currencies as media of exchange. We design the experiments to implement a two-country, two-currency search model with parameters capturing the degree of economic integration and relative country sizes. Through laboratory experiments, we test the model's predictions on currency circulation, trade, and welfare under varying degrees of integration and country sizes.

Abstracts for Parallel Session 8

Gender and Discrimination 4 (Room: 501)

Title: The negative effects of presuming gender bias when it does not exist

Speaker: Thunstrom Linda (University of Wyoming)

Abstract:

While it is clear that women suffer when gender biases exist, our study shows that women may also be negatively affected when gender biases are expected in contexts where they do not exist. We design an experiment that measures employers' incentivized beliefs about the gender bias amongst their customers, and whether their beliefs cause them to favor men employees. Our experiment has three groups of agents: experts, experts' employers, and customers. The employers' task is to hire an expert, who will then sell expert advice to the customers. Employers can hire a man or a woman expert, and all experts have identical credentials. Employers' payoff depends on the customers' incentivized willingness to pay (WTP) for the advice from the expert they hire, i.e., their expected payoff depends on their beliefs about customers' WTP for advice from a woman versus a man expert. Customers may buy expert advice to help with an incentivized prediction of the U.S. inflation rate. The experiment is designed to eliminate altruistic motives for hiring experts, and we control for other potential mechanisms causing experts to favor any particular gender, beyond beliefs about gender biases amongst customers. We find no gender bias amongst customers in our context (the difference in customers' WTP for advice from a man versus a woman expert is minor and not statistically significant). However, we find that employers inaccurately believe that customers exhibit a gender bias, and this misperception causes employers to favor men employees. When employers' beliefs about customers' gender bias are corrected, employers' favoritism of men employees is eliminated.

Gender and Discrimination 4 (Room: 501)

Title: Social Norm Obedience and the Gender Competitiveness Gap

Speaker: Li Shuwen (WU Vienna)

Abstract:

We shed new light on the source of the gender competitiveness gap by exploiting alcohol's ability to suppress norm obedience. We randomly administer to volunteer participants drinks containing either alcohol or a placebo before tasks measuring competitiveness. While we successfully replicate the gender gap among sober participants, among intoxicated participants we observe the gap to vanish. A separate elicitation indicates gender-norm obedience among sober participants and no change in competitiveness norms among intoxicated men or women, suggesting that intoxicated people do not conform to social norms. Our analysis reveals that if neither gender adhered to social competitiveness norms, the gender gap would only be one-third as large.

Gender and Discrimination 4 (Room: 501)

Title: WILLINGNESS TO LEAD IN PRECARIOUS TIMES AND THE GLASS CLIFF

Speaker: Erkal Nisvan (University of Melbourne)

Abstract:

Women often take leadership positions with a high risk of failure. This phenomenon has been labelled as the Glass Cliff. While existing literature has focused on demand-side motivations for nominating women for precarious positions, limited attention has been paid to the supply side. In this study, we investigate gender differences in the willingness to lead financially successful versus financially failing companies. We find that men are less likely to apply for leadership positions in failing companies relative to successful companies. In comparison, a company's financial status does not affect women's willingness to lead. Consequently, we find a gender gap in leadership in successful firms but not in failing firms. This result holds across different leadership selection institutions represented by opt-in and opt-out mechanisms.

Abstracts for Parallel Session 8 (Continued)

Belief 4 (Room: 502)

Title: Understanding (Dis)Trust in Managers

Speaker: Neyse Levent (WZB; DIW)

Abstract:

While management practices are an important driver of firm performance and cross-country differences in productivity, global opinion polls indicate that business executives remain one of the least trusted professions among the public. This is puzzling, as productivity-enhancing managerial practices may be difficult to implement in low-trust environments. Importantly, the exchange between firm management and employees is governed by incomplete contracts in which the parties endogenously enforce critical aspects of the transaction through informal agreements. Trust is a vital resource in such contexts. Leveraging a unique array of four surveys, a pre-registered online experiment based on a modified version of the Trust Game with hidden action (Charness and Dufwenberg, 2006), and two conceptual self-replications, this study examines people's perceptions of managers and the trust they place in them.

Belief 4 (Room: 502)

Title: Identifying the Models of Active Learning: an Experiment

Speaker: Tayawa Jason (UNSW)

Abstract:

We propose an experiment to document and distinguish between the two broad categories of active learning models: costly information acquisition and costly information processing. Our design elicits (1) the mappings between the value of information and information structure, (2) beliefs given the signal, and (3) choices based on their beliefs. The design further allows the decision-maker (DM) to choose their frame of approaching their decision problem, either in terms of value of information or in terms of information structure. By observing their choices, we can identify which category of active learning the DM's decision process aligns with. These results offer direct insights into the validity of the classes in active learning models, which are often tested using only choice data without considering the type of information gathered. Furthermore, we measure deviations of the elicited mappings and elicited beliefs from their Bayesian counterparts and compare the consistencies of the deviations between the two formats of the decision problem. Finally, we document the consistency of the biases between the elicited mapping and beliefs from a given decision format. These findings will help address potential model misspecification based on choice data alone and suggest necessary corrections for accurately estimating active learning models. Data collection is underway.

Belief 4 (Room: 502)

Title: Observed Competence and Anchoring in Advice-Influenced Newsvendors

Speaker: Endico Marxlen (National Cheng Kung University)

Abstract:

Literature on advice-taking describes decisions after receiving advice as a net result of 'push' forces away from and 'pull' forces toward the advice. This study explores how advice-influenced newsvendors adjust their decisions, examining how observed competence—both in their own judgment and in the advice they receive—based on past performance of initial decisions and advice influences fit within this 'push' and 'pull' framework. In a controlled experiment using the Judge-Advisor System (JAS) paradigm, newsvendors set an initial order, received advice—which was unbeknownst to them, the optimal order quantity—and then made a final, potentially revised order. The results suggest that optimal advice generally reduced systematic bias. Regression analysis revealed that the prior round performance of both initial orders and received advice, along with the current round distance between advice and initial estimates, significantly influenced systematic bias, acting as opposing 'push' and 'pull' forces. Post-advice, newsvendors were more pulled towards competent advice than pushed away by the past success of their own judgment. Additionally, factors like profit margin and salvage value influenced systematic bias. This study offers insights into how bias is shaped in decision-makers influenced by external advice through a novel application of the JAS paradigm in the context of newsvendor decision-making.

Abstracts for Parallel Session 8 (Continued)

Coordination 2 (Room: 503)

Title: Migration and Coordination: An Experimental Study

Speaker: Tan Jonathan (Nanyang Technological University)

Abstract:

Our paper experimentally explores how social identity affects coordination in a novel experimental migration game. We model migration contexts by manipulating the payoff structure of dyad-specific interactions and arbitrary social identities of players with or without 'incumbency', namely dyads with 'locals' or 'migrants', respectively. Across treatments, we vary the rate and permanency of migration, the salience of incumbency, and how signals of preference for local or foreign norms can be sent and observed. We find that local norms emerge rapidly in homogenous (local) groups, and eventually in heterogenous (local-migrant) groups across treatments. However, the convergence to local norms is hampered when migrants are in the minority and migration is permanent, as migrants tend to persist in signaling their home-grown norms to protect their interests. This resistance weakens when migrants and locals are present in equal numbers.

Coordination 2 (Room: 503)

Title: Coordination on altruistic market with imperfect substitutes

Speaker: Lorko Matej (University of Economics in Bratislava)

Abstract:

Charitable gifts and volunteering often deliver enormous value in areas where neither the government, nor the commercial sector is sufficiently active. However, altruistic markets often develop severe inefficiencies due to miscoordination of volunteers. In this paper, we focus on two coordination failures which result in wasted volunteering labor and resources, and/or losses in recipient welfare, namely (1) oversupply of a single altruistic good and (2) ineffective allocation of volunteers across multiple altruistic goods. We conduct a laboratory experiment, in which participants in a group of four are independently deciding whether to provide a costly help to a charity or not. The baseline condition involves a single (high-priority) altruistic good with a restricted demand. While all those who decide to help incur a cost, only one unit of help generates a benefit for the recipient. In other conditions, we add a second (low-priority) altruistic good with unrestricted demand but lower recipient benefit. All conditions involve a within-subject treatment manipulation: we introduce a coordination device which informs those who decided to provide a high-priority good of whether the demand for this good was already met or not. We find that the coordination device significantly improves the efficiency of the altruistic market in all conditions. Specifically, in the baseline condition, the device decreases the supply of high-priority good (and thus eliminates its oversupply), while in the other conditions, the device increases the supply of high-priority good (and thus eliminates its undersupply) by effectively reallocating volunteers across the two goods.

Coordination 2 (Room: 503)

Title: Trust on experts and tension on cooperation under stag hunt

Speaker: Choi Ungtak (Georgia State University)

Abstract:

The role of expert in society is delivering precise information of uncertain situations for resolving the problems of individuals or the society. People believe in the advice from experts under a belief that they honestly provide the information. However, the trust on expert groups is usually ruined by several reasons such as corruption of experts, discrepancy between ex-ante advice and ex-post realized status, or a sort of a priori constructed misbelief toward experts. The focus of this paper is the possibility of corruption. In this paper, I introduce the third party agent who provides rebates to induce experts to deliver wrong information than they have. The questions of this paper are (i) the trust on information provided by experts under the existence of the possibility of corruption, (ii) whether the possibility of corruption accelerate or stagnate the cooperation under the context of stag-hunt game, and (iii) the trust on experts when information of the state is given to the individuals before getting advice from the experts. In the experiment, one group consists of four agents with three different roles. There is one third party agent who decides the amount of rebates suggested to the expert. The rebates are actually given to the expert by the number of individuals who choose cooperation. There is one expert whose type is decided as good or bad at the beginning of the experiment and is fixed for a whole experimental session. Before making a decision, an expert gets information of the state (good or bad). An expert decides messages to be given to two individuals. Finally, two individuals in a group decide whether to cooperate or not. If the real state is good, then cooperation produces higher payoffs for individuals (good equilibrium) as in a usual stag hunt game. In contrast, if the real state is bad, then cooperation produces lower payoffs for individuals. The procedure of the experiment is (1) the third party agent chooses the amounts of rebates, (ii) the expert decides message delivered to the individuals under the information of rebates and the state, and (iii) the individuals decide whether to cooperate or to defect given the common message from the expert.

Abstracts for Parallel Session 8 (Continued)

Institutions 2 (Room: 601)

Title: Meritocracy Around the Globe

Speaker: Reuben Ernesto (Global Network Professor of Economics, NYU)

Abstract:

In a meritocratic society, people are rewarded based on their talents, skills, and effort rather than other factors such as demographic characteristics. The concept of meritocracy has a long-standing tradition in the social sciences and is widely believed to influence economic and social outcomes. However, empirically testing this relationship poses considerable challenges. In this paper, we use direct measures of cognitive skills from representative samples from 70 countries to examine how skills translate into income. We find that countries where cognitive skills are strongly associated with income—suggesting greater meritocracy—tend to have higher GDP per capita and lower income inequality. Conversely, countries where demographic characteristics substantially affect the returns to cognitive skills—indicating they are less meritocratic—exhibit lower GDP per capita and greater inequality.

Institutions 2 (Room: 601)

Title: Exploring the influence of corrupt environments on tax evasion

Speaker: Verbel Yuliet (University of Michigan)

Abstract:

This paper examines the impact of corruption on tax evasion through an experimental study. Participants in the experiment decide how much of their earned income to declare after learning whether there is a high or low chance of being matched with a corrupt public official who privately misappropriates money from the collected taxes. We find that an environment with a high possibility of corruption does not significantly increase tax evasion compared to an environment with a low possibility of corruption. To test the 'intentions matter' hypothesis, we introduce two additional conditions where the probability of misappropriation remains high or low, but the misappropriation is determined by random assignment rather than an official's deliberate choice. We find that tax evasion levels are insensitive to the intentions behind the misappropriation of collected taxes. Moreover, we observe differences in social norms between those who evade paying taxes and those who comply, suggesting that preferences may be the primary factor determining tax evasion behavior.

Institutions 2 (Room: 601)

Title: Does Democratic Decision-making Process Enhance Cooperation Among Children and Adolescents?

Speaker: Yan Jubo (Nanyang Technological University)

Abstract:

A growing body of experimental research has documented the superiority of democratic institutions in enhancing cooperation, but few have explored the development of preference for such institutions. We probe into this direction by examining whether a preference for democratic institutions exists among children and adolescents. Our linear public goods experiment with either reward or punishment in a lab-in-the-field setting consists of over 1,600 student participants aged 7-17. We examine the effects of democratic (i.e., endogenously chosen) versus non-democratic (i.e., exogenously imposed) decision-making processes to implement a reward or a punishment rule in encouraging cooperation among children and adolescents. Results show that student participants exhibit higher level of cooperation under exogenously imposed institutions compared to those chosen endogenously. Moreover, this result stands regardless of the institution (i.e., whether implementing a reward or punishment rule). We provide further evidence suggesting that this phenomenon may be owing to children in the compulsory education phase not yet having developed a preference for democratic decision-making and being more accustomed to top-down rule enforcement. This explanation is further supported by the emergence of endogeneity premium among adolescent participants in contrast to child participants.

Abstracts for Parallel Session 8 (Continued)

Labor 2 (Room: 602)

Title: No Pain, No Gain - An Experiment on Skill Accumulation

Speaker: Gunawardena Bhagya N. (RMIT University)

Abstract:

Skill accumulation requires a periodic and persistent investment of time and effort. Unlike in financial investments, investing in skills does not allow for saving or borrowing, the maximum periodical investment is capped, and the cost of investment often decreases with the person's cumulative past investment. We report results from an online experiment that captures the key characteristics of a skill accumulation task where it is optimal to invest relatively high and increasing input levels in earlier periods. We find that most subjects invest too little compared to the optimal path and a majority of the subjects' investments are characterised by myopic optimisation. Whereas individual experience over repeated lifecycles improves investments and earnings, social information about a selected peer's investments, earnings, or confidence levels has a limited effect. Our results demonstrate the difficulty of investing in skills even in the absence of risk and time factors.

Labor 2 (Room: 602)

Title: The Perceived Impact of current work–life balance on one's financial future.

Speaker: Lahav Eyal (The Open University of Israel)

Abstract:

Background: In recent decades, the evolving job market has highlighted the importance of work-life balance (WLB), yet there remains ambiguity around individuals' awareness of WLB's future consequences and its influence on their choices. Methods: This study introduces a novel method for assessing the perceived impact of three components of one's current WLB—stress and burnout, boundaries, and flexibility—on one's future financial situation, future health, and future community relations. Additionally, we evaluate the validity of our approach by investigating how the perceived future impact affects decision making related to WLB and job compensation (salary; pension). Results: We find large differences between the perceived impact of each WLB component on each future aspect of life. We then demonstrate the linkage between the perceived impact and individuals' current financial decision-making processes regarding WLB management. Conclusions: Our results offer managers insights for informed decision-making on allocating resources to WLB components in organizations.

Labor 2 (Room: 602)

Title: Communication structures and their impact on intergroup cooperation and competition

Speaker: Yeo Jonathan (Nanyang Technological University)

Abstract:

In this study, we investigate experimentally the impact of communication structures on inter-group interactions. Participants are induced with minimal identities and then matched into teams with their own identity groups. Subsequently they play a modified team Tullock rent-seeking contest which incorporates both cooperative (efficiency-enhancing information sharing) and competitive (rent-seeking investment) behaviours. On one dimension, we vary whether ex-ante, participants have between-group communication, within-group communication or no communication at all. On the other dimension, we vary whether in the Tullock rent-seeking contest, sharing creates disproportionate benefits for between-group interactions (i.e. diversity benefits). Our results show that between-group communication creates sizeable improvements in cooperation no matter whether diversity has benefits or not. By contrast, it reduces competition significantly only when there are no diversity benefits. We explore the mechanisms by which these occur. Overall, considering the combined impact of cooperation and competition, between-group communication is never harmful, suggesting that encouraging constructive discussions between groups is an important tool to enhance social efficiency.

Abstracts for Parallel Session 8 (Continued)

Information 2 (Room: 603)

Title: Can Communication Content Affect Consumer Satisfaction in the Claims Adjustment Process?

Speaker: Byun Hae Won (Korea Insurance Research Institute)

Abstract:

The experience of insurance claims processing has a significant impact on consumer satisfaction and trust. In 2022, changes in the criteria for claims adjustment (thorough assessment) led to an increase in consumer complaints. This study conducted a randomized controlled trial to investigate whether the communication content used during the claims adjustment process can reduce consumer dissatisfaction. The information elements provided to different treatment groups included logical reasoning and reciprocity, the qualifications of claims adjusters, the criteria for determining the need for claims adjustment, and autonomy in choosing a claims adjuster. The experiment demonstrated that the content of information affects consumers' acceptance of claims adjustments, with the provision of criteria for determining the need for claims adjustment being the most effective of the four interventions.

Information 2 (Room: 603)

Title: Information Aggregation in Directed Networks

Speaker: Pevnitskaya Svetlana (Independent research)

Abstract:

Individuals often can obtain more information by observing previous decisions of others. We present a framework of individual choice under uncertainty for agents connected via a directed network which allows for observational learning. The decision is made once, thus learning from repetition is not possible. We outline properties of networks that improve accuracy of individual choice and information aggregation. Performance is evaluated using two criteria: individual (final agent) and social (group) choice accuracy, with the result that network properties that enhance performance under one criterion reduce performance under the other. We test theory by designing an experiment with two treatment variables: (1) network structure and (2) method of assigning subjects to positions within a network. In all treatments, there is efficiency loss compared to a benchmark with Bayesian agents. On average individuals understand the value of observational learning, however there is heterogeneity in the willingness to pay for later positions. In networks with endogenous assignment, the advantage of later positions is eroded as a result of self-selection of more rational subjects to those positions, and the resulting greater noise in choices of subjects in earlier positions. Persons tend to overweight information inferred from observed actions of others as opposed to own private signal, and this propensity is increasing in the number of observed actions.

Information 2 (Room: 603)

Title: Willingness-to-Pay for Information and its Instrumental Value

Speaker: Aoyagi Masaki (Osaka University)

Abstract:

This paper studies experimentally how the level of information acquisition activity changes with the cognitive cost associated with the activity and the instrumental value of information, which equals the increase in the expected payoff from the resolution of uncertainty. Specifically, information is acquired by opening a fixed number of boxes which may contain a ball and observing the color of the ball if they contain one. We elicit the willingness to pay for information when its acquisition is accompanied by cognitive cost of solving problems as well as when it is not. We find that subjects tend to over-acquire information: Their willingness-to-pay for information is greater than its instrumental value even in the presence of the cognitive cost. We relate the finding to the theory of rational inattention.

Abstracts for Parallel Session 8 (Continued)

Market Design 2 (Room: 604)

Title: Market performance and review system informativeness

Speaker: Louis Philippos (University of Cyprus)

Abstract:

Review systems are the main tool used in online markets to cultivate trust among buyers and sellers. The proliferation of fake reviews on such systems could undermine users' confidence in the information they provide, ultimately hampering their ability to support the good functioning of such markets. We use a carefully designed lab experiment to study how the informativeness of such systems affects market efficiency and overall functioning. We find that a lack of confidence in reviews in either direction, i.e. positive, negative or both, is detrimental and leads to a lower volume of trade, lower quality, and a lower surplus generated as a result. Under some conditions, fixing the review system can restore trust in the market, although our results suggest that this is not the case following operation with a review system generating excessive positive reviews.

Market Design 2 (Room: 604)

Title: Separating Contingent from Thinking: On Non-truthtelling in Strategy-Proof Matching Mechanisms

Speaker: Katuscak Peter (RWTH Aachen University)

Abstract:

Why do participants not report their preferences truthfully in strategy-proof mechanisms? One hypothesis is that they fail in contingent thinking required to realize that truthful reporting is dominant. We examine this hypothesis by means of an online experiment in the context of the top trading cycles student-school matching mechanism. We obviate the need for student applicants to consider various contingencies and to look for an intersection of best responses by asking them to choose one school in each possible contingency. Compared to a (contingent-thinking-requiring) baseline of submitting one ranking for all contingencies, we find no treatment effect on truthtelling. It is only when scarcity of schools is communicated by probabilities of various contingencies as opposed to school priorities that we observe a positive treatment effect. We interpret these findings to imply that failure of contingent thinking is not a primary reason for nontruthtelling in student-school matching mechanisms. Rather, we speculate that nontruthtelling is primarily driven by game form misperception triggered by school priorities.

Market Design 2 (Room: 604)

Title: Bundled School Choice

Speaker: Huang Lingbo (Shandong University)

Abstract:

The standard school choice model assumes that students have strict preferences over schools and submit comprehensive preference lists. This assumption diverges from reality, where students often exhibit coarse preferences and face limitations on the number of schools they can report. To address this gap, we propose an innovative school choice system in which certain schools are exogenously bundled, allowing students to include these bundles in their preference lists. By listing a bundle, a student seeks admission to any school within the bundle without having to rank the individual schools. This approach facilitates the expression of coarse preferences and effectively expands the number of schools a student can report, potentially enhancing their match rate. We complement our theoretical framework with a laboratory experiment which demonstrates the advantages of our designed system. The practical applications of our design are also discussed.

Abstracts for Parallel Session 8 (Continued)

Norms 2 (Room: Science Hall)

Title: Moral education and child development: A randomized controlled trial in Japan

Speaker: Zvedelikova Mirka (ISER, Osaka University)

Abstract:

Pressure to perform, course overload, peer pressure, and bullying are some of the hardships many Japanese children face at school, potentially hindering the development of their cognitive and non-cognitive skills. We conduct a randomized controlled trial (RCT) in an online and home-based environment with a thousand participants aged 9 to 15 throughout Japan, aimed at mitigating these adverse effects by promoting self-confidence, self-control, well-being, and a satisfying school and social life. Our six-week, low-cost, and scalable program utilizes a dual approach: educating parents via weekly emails about their child's potential challenges and providing age-appropriate videos to their children. The videos are based on official moral education textbooks, ensuring alignment with national educational standards. The treatment is further divided into four arms differentiated by the video narrator, either a teacher or a celebrity with varying degrees of anonymity. In addition to evaluating the effectiveness of the narrator, we collect and analyze the impact of the intervention on non-cognitive measures shortly after the conclusion of the program and in the long run, approximately half a year later, with the potential for further data collection.

Norms 2 (Room: Science Hall)

Title: The role of justice concerns in the perception of air pollution reduction programs: a factorial survey experiment.

Speaker: Boros Anna (University of Warsaw)

Abstract:

Both individual disutility from air pollution and contributions to this phenomenon can vary greatly. Therefore, concerns of distributive and retributive justice must be taken into consideration if we are to design and adopt fair air pollution mitigation measures. In this study, we focus on the context of combating urban particulate matter (PM) pollution caused by inefficient and obsolete heating equipment and the use of improper heating fuel. We investigate the social acceptance of programs composed of different variations of air pollution mitigation measures in four Polish cities with similar income distributions but different levels of air pollution. We conducted a Factorial Survey Experiment in which we presented each respondent with six vignettes, each including a variation of an air pollution mitigation program. Each vignette comprised five attributes of interest: (1) the subsidy for furnace replacement for individuals living in communal housing, (2) the subsidy for high-income (HI) and low-income (LI) households in the case of furnace replacement by private homeowners, (3) fines for failing to comply with new heating regulations, with varying levels for HI and LI households, (4) additional smog-related information (such as a TV program, mobile phone messages, or no additional information), and (5) the time frame for the program's implementation. The levels of these attributes varied across different vignettes, allowing us to investigate the impact of changes in attribute levels on perceptions of justice. We asked respondents to rate each vignette in terms of perceived fairness, acceptance, likelihood of signing a supporting petition, and likelihood of signing a protest petition. We constructed a Social Acceptance (SA) Index based on the first three ratings and estimated several mixed effects models to analyze the results. We find that a higher burden on those living in communal housing and a higher overall price of furnace replacement (low subsidy level) are negatively related to SA and positively related to the propensity to protest the solution. Lower prices (higher subsidies) for both household types and solutions that slightly privilege LI households increase SA. Conversely, equal fines or fines with less disparity between HI and LI households, as well as higher overall fines, are generally more socially acceptable. This indicates diverging patterns in perceptions of fairness regarding distributive and retributive justice. In terms of distributive justice, solutions promoting equal marginal utility of income are preferred, while equity of burden is favored concerning fines. Programs that include additional information on smog levels are considered more acceptable and less likely to be protested, regardless of the information mode. The time frame for program implementation did not significantly impact SA. Further analyses revealed that individuals with lower education levels, higher incomes, and more respiratory issues, such as dyspnea, perceived the proposed solutions as generally more acceptable and fair. At the same time, the objective level of air pollution in the city of residence did not significantly influence perceptions of social justice.

Norms 2 (Room: Science Hall)

Title: Peer Evaluations: Exploiting Truth-telling as a Social Norm (the Power of Truthiness)

Speaker: Wooders John (NYU Abu Dhabi)

Abstract:

Settings in which a supervisor or manager observes the overall result of the efforts of her subordinates but not their individual efforts are ubiquitous: A supervisor in a government office observes average client satisfaction, but cannot observe the quality of each of her subordinate's interactions with clients. A store manager observes overall sales, but not each salesperson's contribution to sales. Employees, by contrast, are often better informed about the contributions of their co-workers as they observe their co-workers' efforts directly. This paper develops a theoretical model of peer evaluations and tests it experimentally. Experimentally, we find that the introduction of evaluations increases effort and welfare even when evaluations do not enter payoffs. Consistent with theory, effort and welfare increase in the payoff weight on evaluations. Effort and welfare, however, decrease when payoffs are determined solely by evaluations, as a consequence of a breakdown of truth-telling.

Abstracts for Parallel Session 9

Charitable Giving 2 (Room: 501)

Title: Understanding Refugee-Host Relations through Misperceptions about Intergroup Generosity

Speaker: Jiang Wenrui (Kyoto University)

Abstract:

An increasing number of refugees are settled in camps in low or middle-income countries. As the number of refugees and the length of residency increase, the relationships between the refugee and host community over natural resources, living spaces, and social exchanges become vital for maintaining and promoting harmony between them. Although previous studies have examined refugees' attitudes toward hosts or hosts' attitudes toward refugees unilaterally, mutually quantifying the tensions between refugees and hosts is still lacking. We use an economic survey experiment conducted in and around Rohingya refugee camps in Bangladesh with 430 refugees and 252 hosts to explore intragroup prosocial behavior. We use three questions to measure (1) the generosity of refugees and hosts towards each other by a hypothetical dictator game, (2) in-group perceptions by asking their beliefs about the generosity of their peers towards out-groups, and (3) intra-group perceptions by asking them about out-group participants' generosity toward themselves. Using these three measurements collected by refugees and hosts, we quantify intra-group prosocial attitudes and the existence of in- and intra-group misperceptions, which help better understand the tension between refugees and host communities. We find that 29% of refugees and only 4% of hosts are willing to share their tree seedlings. There are widespread misperceptions both in and intra-groups, particularly with the refugees. Our regression analyses indicate that enough food, communication with the host, and size and population of the camp are positively associated with the generosity of refugees, while income, participation in restoration activities and social groups, infrastructure, and health facilities in camps are negatively associated.

Charitable Giving 2 (Room: 501)

Title: Register or not: transaction costs and willingness to donate

Speaker: Brokesova Zuzana (University of Economics in Bratislava)

Abstract:

In economic decision-making, transaction costs could have a substantial impact on final decisions. As documented in previous research, they could be a factor that significantly reduces the willingness to donate or the amount of donation. We run a laboratory experiment shed the light on the effect of transaction costs on willingness to donate. We use real effort task and depending on the amount of money subjects earned, they could decide whether not to donate or to donate a share of it to Slovak charity ?erven nos. To differentiate the effect of transaction costs and opportunity costs, we use 2 x 2 design when manipulating transaction and opportunity costs in four treatments. We simulate different levels of transactions costs of donation by the extend of data needed to donate and different opportunity costs by addressing donors before, during or after real effort task. In the first treatment, subjects were asked to donate during the real effort task simply by hitting the DONATE button. In the second treatment, subjects could also donate during the real effort task, but in this treatment, they had to register to donate, which meant that they had to fill in information into a registration form. In the third treatment, subjects have the option to donate after the completion of the real effort task by simply by hitting the DONATE button. In the fourth treatment, subjects have the option to donate after the real effort task, but they have to register to do so. In two control treatments we offer subject option to donate before the real effort task (one with registration and one without registration). In the pilot experiment, we studied behaviour of 80 subjects, of which 19% decide to donate. The willingness to donate varies between treatments. Our preliminary results follow the intuition and show that introducing transaction costs substantially reduce the willingness to donate. In the case of the opportunity cost, an increase in opportunity costs reduces the willingness to donate to charity.

Charitable Giving 2 (Room: 501)

Title: Impact, Inspiration, or Image: On the Trade-Offs in Pro-Environmental Behaviors

Speaker: Simon Sven (Max Planck Institute for Tax Law and Public Finance)

Abstract:

Today's environmental challenges prompt individuals to take personal actions, though motivations vary. This paper presents causal evidence of a trade-off between two motivations behind pro-environmental behaviors (PEBs): maximizing environmental impact or being seen as green. In an experiment on voluntary carbon offsetting, we first isolate each motivation and quantify their impact. We then investigate whether individuals deliberately trade-off impact for the visibility of their actions, and why they do so. Our results show that while individuals respond to salient differences in efficiency and visibility, visible PEBs crowd out efficient alternatives, indicating a preference for being seen as green over actual environmental impact. We disentangle two motivations driving this preference for visible actions: social image concerns and role model aspirations. Role model aspirations exert a stronger influence, leading individuals to choose visible PEBs over efficient ones more frequently.

Abstracts for Parallel Session 9 (Continued)

Public Goods 2 (Room: 502)

Title: Valuing the Invisible: Economic Assessment of Cultural Heritage Through Stated Preference Valuation Methods

Speaker: Jusypenko Bartosz (University of Warsaw)

Abstract:

As cultural heritage continues to grow exponentially in both size and variety, the conservative approach to protecting all assets has been irreversibly undermined. This shift challenges decision-makers to shape heritage protection policies that respect social needs and preferences. Given the scale of the problem, efficiency is crucial for strategically selecting these policies. Economic evaluation tools such as cost-benefit analysis can help determine the impact of a given policy action on social welfare, provided both costs and benefits are known and can be quantified in monetary terms. Stated preference methods, such as discrete choice experiments (DCE), have emerged as effective tools for quantifying benefits. Through this study, we propose a universal and practical framework for DCEs to assist in designing and evaluating both large-scale (global, national, or regional) heritage policies targeted at multiple assets with different profiles simultaneously and case-specific policies targeted at one or a few assets only. We 'de-iconize' heritage assets by grouping them into categories and types based on their common characteristics. We further define these assets to account for their qualities using attributes generalized across categories. Additionally, we describe proposed protection amendments, assuming that the public holds preferences not only for protection but also for the means of its implementation. Empirical data for the study come from a broad stated preference (SP) survey concerning various heritage assets located in Victoria, Australia, under review for potential inclusion in local, state, or national-level heritage registers. The stated preferences necessary for value estimation are elicited through DCEs in which residents of Victoria are asked to imagine they are involved in a public consultation about different heritage protection options across the state. The experimental design covers 33 types of heritage assets grouped into three broader categories: heritage sites, cultural landscapes, and historic sites. These assets are described by different levels of age, condition, and current accessibility, resulting in a total of 2640 combinations. The descriptions are supplemented with two linear attributes: the number of assets protected and their distance from the respondent's place of residence, to control for potential embedding effects and distance decay. Each asset is further subject to one of 144 sets of protection measures that respondents evaluate and vote on. The attribute matrix is verified with a large sample of existing assets included in the official heritage register. To aid in the valuation exercise, stylized indicative images of the asset types are provided. Two alternative experimental treatments are introduced to control for any potential biases arising from the inclusion of imagery. The analysis is carried out by applying category-specific random parameter logit models. By analyzing responses to a series of hypothetical policy scenarios, the paper reveals the values the public places on different heritage attributes. Findings highlight the significance of both use and non-use values in shaping willingness to pay for heritage conservation, offering insights critical for informing more effective and community-aligned heritage policies.

Public Goods 2 (Room: 502)

Title: When to feed the Leviathan: Tradeoffs between efficiency, fairness, and the intrinsic value of decision rights

Speaker: Liu Manwei (Nanjing Audit University)

Abstract:

An essential component of effective institutional design and governance is understanding the driving factors behind the delegation of decision-making to external intervention systems and the intricate relationships between these factors. In a threshold public goods game, we investigate how people choose between voluntary contribution and a centralized institution that enforces cooperation. Specifically, our study focuses on how individuals trade off among the efficiency of public goods provision, fairness in contribution levels, and the intrinsic value of autonomy. In a laboratory experiment, we find (1) individual heterogeneity in their willingness to prioritize fairness over efficiency, (2) limited evidence for a constant intrinsic value of autonomy, and (3) systematic deviations from the predictions of classic social preference models which typically incorporate self-interest, preferences for fairness, and social welfare concerns. These results hint at the presence of potential behavioral factors associated with the perceived rightfulness of centralized institutions. Our findings suggest the elastic nature of the demand for delegation and could have implications for better designs of human intervention and AI governance aimed at fostering collective action.

Public Goods 2 (Room: 502)

Title: The endowment effect in public goods game experiments -The role of warm glow-

Speaker: Osaki Yusuke (Waseda University)

Abstract:

This study examines how the difference in endowment influences cooperative behavior in public goods experiments. The experiment was conducted by between-subject design at Waseda University on February 14, 15, and July 5, 21, 2024. The participants were recruited through the Sona system of Waseda University's experimental pool. The experiment consists of 10 rounds and is conducted by a group of four participants. The members of the groups are randomly rematched in every round. Participants decide how to allocate their endowment points between individual and common pool accounts. The points in the individual account become their own points. On the other hand, half of the points in the common pool account are distributed to all group members. The points in the common pool account are interpreted as cooperative behavior. Participants are randomly assigned to the two identical groups except for endowment. In the control group, all endowment points are in the individual account. In the treatment group, all endowment points are in the common pool account. The endowment is set at 100 points in both groups. Participants in the control group decide how much of their endowment points to allocate to the common pool account and how much to leave them in the individual account. Participants in the treatment group decide how much of their endowment points to withdraw from the individual account and how much to leave them in the common pool account. When participants follow outcome-based social preferences like inequality aversion by Fehr and Schmidt (1999), we predict that points in the common pool accounts are the same in the two groups. This prediction is because the difference in endowment does not affect outcomes. We observed that the points in the common pool account differ between the two groups, and there are more points in the control group than in the treatment group. Because the points differ, there are motivations other than outcome-based social preferences, which are referred to as impure motivations. We focus on the warm glow that is the utility from doing good as an impure motivation. The reason for focusing on the warm glow is that it is widely accepted in the literature that the warm glow influences the corporate behavior of public good experiments, e.g., Andreoni (1995). Participants in the control group feel the warm glow from allocated points to the common pool account. On the other hand, participants in the treatment group feel the warm glow from points left in the common pool account. In other words, the cooperative behavior in the control group is active, but the cooperative behavior in the treatment group is passive. A possible interpretation of our experimental results is due to this difference in corporate behavior, active and passive behavior. When participants feel more of the warm glow from active behavior than passive behavior, participants in the control group allocate more points in the common pool account than points left by participants in the treatment group.

Abstracts for Parallel Session 9 (Continued)

Contests (Room: 503)

Title: Peace and War: How Economic Prospects Drive Conflictuality

Speaker: Jiang Shuguang (Shandong University)

Abstract:

How do future economic prospects influence the likelihood of cooperation or conflict between rising and established but declining powers? Drawing on Thucydides's Trap, we test power transitions in varying economic conditions experimentally. In a dynamic power rivalry game participants could either maintain the status quo or challenge the rival, under declining, constant, or growing economic prospects. Our results reveal that conflict rates are highest when economic prospects decline and lowest when they grow. An established power is less likely to challenge in the initial periods under growth prospects, which moderates the subsequent challenging behavior of the rising power. A behavioral model with psychological costs for challenging and reciprocity helps rationalize the observed treatment differences.

Contests (Room: 503)

Title: Ambiguous Contests

Speaker: Deck Cary (University of Alabama)

Abstract:

Ambiguity is present in many situations that can be described as contests. We consider the impact of ambiguity on behavior in contests theoretically and behaviorally. In addition to comparing observed behavior to the theoretical predictions given the risk and ambiguity parameters inferred from individual choices, we also decompose the effect of introducing prize ambiguity into a component that is due to the contestant's own ambiguity attitude and into a component that is due to the contestant's belief about the ambiguity attitude of the other contestant.

Contests (Room: 503)

Title: Feedback Policies and Sunk Costs in Dynamic Contests

Speaker: Zeidel Jeffrey (New York University, Abu Dhabi)

Abstract:

We study the effect of interim feedback policies in a dynamic contest in which competitors make investments over multiple time periods to win a known, common value prize. Two competitors simultaneously make an initial investment, receive information about their competitor's initial investment as per the feedback policy, and then simultaneously make a second investment. The competitor with the highest total investment wins the prize and both pay their total investment. Theoretically, we find that under all equilibria for all feedback policies, the sum of expected total investments of the competitors equals the value of the prize, and expected payoffs of all competitors are zero. We then conduct an experiment with five different feedback policy treatments, one with no information revealed, one with full information, and three partial information treatments, and test the hypothesis of zero treatment effect on average investments and payoffs. We also investigate how sunk cost fallacies induced by initial investment decisions influence second period decision making.

Abstracts for Parallel Session 9 (Continued)

AI & Finance (Room: 601)

Title: Empowering Consumers: An Experimental Study of Human and AI Guidance in Insurance Decision-Making

Speaker: Tianjiao Xia (Shanghai International Studies University)

Abstract:

This study explores how insurance can enhance consumption smoothing across the lifecycle and examines the role of cognitive abilities in influencing insurance purchasing decisions through an experimental economic framework. Recognizing that cognitive constraints can complicate these decisions, the study investigates the effectiveness of personalized support from human and AI intermediaries. Results demonstrate that insurance ownership leads to smoother consumption patterns and that individuals with higher cognitive ability are more likely to purchase insurance. Importantly, the inclusion of intermediaries significantly raises the likelihood of insurance uptake, with notable differences in consumer trust: high-risk-averse individuals show a stronger preference for human intermediaries, while low-risk-averse individuals exhibit no marked trust distinction between human and AI support. These findings highlight the importance of tailored guidance in overcoming cognitive barriers to optimal insurance decisions and offer new insights into the comparative impact of human and AI advisors. This research not only advances understanding of the trust in human versus AI intermediaries but also provides implications for enhancing consumer decision-making in the evolving landscape of AI-driven insurance services.

AI & Finance (Room: 601)

Title: Are consumer financial decisions too hard? The case of credit cards

Speaker: Lee Michelle (The University of Melbourne)

Abstract:

As of 2024, the United States has accumulated a staggering \$1.14 trillion in credit card debt, with delinquency rates on the rise, particularly among younger credit cardholders (Federal Reserve Bank of New York, 2024). Many credit cardholders could reduce their borrowing costs by choosing a more suitable credit card. Yet, selecting the appropriate credit card is challenging, even when options are limited and future spending and repayment behaviours are certain. Here, we propose a formal framework to characterise the complexity of credit card choices based on the computational resources required to make the decision, and experimentally test whether this complexity affects choice quality, the effort expended, and subjective complexity. Our experiment involves a two-alternative forced choice task where participants are tasked with selecting the credit card that minimises their total borrowing costs given a fixed 12-month spending and repayment schedule. Each credit card has up to two cost features: an annual fee and an annual interest rate, sampled from the Australian credit card market. In this study, the complexity of choosing a credit card is operationalised in two ways: the number of compounding steps required to compute the total interest payments and the composition of credit card features. Complexity is higher with more compounding periods and when a credit card has an interest rate. Our findings reveal that when options are similar in value, participants make more mistakes and expend more effort as the complexity of the credit card choices increases. In other words, complexity matters, especially when the options are difficult to discriminate. Subjective complexity is positively correlated with more complex feature compositions, but, surprisingly, it is inversely related to the number of compounding steps. This suggests that participants rely on heuristics, leading to a misestimation of the complexity of the choice problem.

AI & Finance (Room: 601)

Title: Preferences for Explainable AI in Algorithmic Trading: An Empirical Survey

Speaker: Łaniewski Stanisław (University of Warsaw)

Abstract:

Exploring the intersection of machine learning (ML) and experimental economics, this follow-up study presents an innovative approach to understanding investor preferences in algorithmic trading. Building upon our previous work presented at the Asia-Pacific ESA Conference, we expand our analysis by developing multiple tailored investment strategies on major U.S. stock indices. In addition to Long Short-Term Memory (LSTM) networks, we integrate additional ML models, namely Extreme Gradient Boosting and Random Forest, providing a comparative perspective on model performance and investor preferences. Each model is fine-tuned through extensive hyperparameter optimization and enhanced with Explainable AI (XAI) techniques—specifically, both global and local Shapley values and feature permutation importance. Central to this research is an expanded empirical survey involving a larger pool of participants, who evaluate and select their preferred investment approach from the suite of ML-derived strategies. Each model is quantitatively assessed and qualitatively explained, with respondents reviewing performance metrics such as average returns, volatility, and transaction costs. Participants also examine visualized historical performance data and receive brief explanations provided by the XAI expert. By analyzing respondent preferences for return maximization, risk aversion, and the transparency offered by XAI, this study provides fresh insights into investor behavior and attitudes toward technology-driven investment tools. Notably, our findings indicate a significant, positive willingness to pay (WTP) for XAI, especially among risk-averse participants. Furthermore, increased transparency through XAI is shown to strengthen trust in the model's recommendations and influence investment decisions. This research contributes to both the advancement of ML models in finance and a deeper understanding of investor preferences, highlighting the critical role of XAI in the design of user-centric, technology-enhanced solutions in the era of AI.

Abstracts for Parallel Session 9 (Continued)

Repeated Games (Room: 602)

Title: Cool way to increase the sample size and variation of economic experiments: Applying the 'ICE' method to a public good

Speaker: Yi Weicheng (Graduate School of Economics, Waseda University)

Abstract:

How can researchers uncover the underlying pattern of human decision making between individuals while overcoming the challenges of both sample size and sample variation without incurring substantial costs? This paper introduces the Incentivized Conjoint Experiment (ICE), an approach in experimental economics that increases sample size and variation. Our methodology overcomes these challenges by integrating hypothetical scenarios with a real scenario in the first and last round of a public goods game. In standard design of public goods game, punitive behavior is usually rare since most participants make zero punishments. This method captures often overlooked behavioral dynamics, providing a comprehensive dataset from a limited participant pool. Our findings reveal that (1) ICE did not distort participants' punitive behaviors in hypothetical scenarios. (2) Punitive behavior evolves from the first to the last period, with participants more likely to punish lower contributors in the last round. (3) ICE successfully detected antisocial punishment, and (4) There is no evidence supporting that psychological traits such as Dark Triad and Social Value Orientation (SVO) would affect antisocial punishment.

Repeated Games (Room: 602)

Title: Exploring the Interplay of Role Uncertainty and Punishment Level in Repeated Cheap Talks

Speaker: Huang Jinyuqi (LSK School of Business, HKUST)

Abstract:

We investigate the effects of role uncertainty and the potential for severe punishment through Nash reversion on strategic information transmission in repeated cheap talk games. Our theoretical analysis, focusing on grim-trigger strategies, reveals that both mild punishments in the presence of role randomness and harsh punishments in the absence create stronger incentives for truth-telling compared to scenarios where harsh punishment is combined with role randomness. Our experimental results indicate that each factor alone enhances information transmission, but their interaction leads to theoretically unexpected negative outcomes. Our modified basin of attraction analysis demonstrates that the observed inefficient outcomes result from strategic uncertainty arising jointly from harsh punishment and role uncertainty.

Repeated Games (Room: 602)

Title: Face Communication in Repeated Interactions

Speaker: Oudah Mayada (NYUAD)

Abstract:

Facial expressions serve as a non-verbal communication channel, providing essential cues about an individual's emotional state, intentions, and reactions. Past literature shows that emotions such as happiness, anger, guilt, and shame play pivotal roles in influencing decision-making, social interactions, and cooperative behavior. For instance, smiling can foster trust and willingness to cooperate, while anger can deter unfair behavior but may also incite retaliation. In this project, we aim to comprehensively study these emotional signals to gain deeper insights into the motivations behind human actions, enhance our ability to foster positive social interactions, and develop strategies to encourage cooperative behavior.

Abstracts for Parallel Session 9 (Continued)

Other Regarding Preferences 2 (Room: 603)

Title: Modelling Preferences for Power Over Others

Speaker: Gidseg Moira (University of Arizona)

Abstract:

A key aspect of having 'power' -- the ability to determine the outcomes of others -- is having multiple outcome options to choose from. In this paper, I report on an experiment I structured to expose the value of options. From this, I propose a model of utility where a person cares about the range of payoffs for another person that they can choose from. I then use experimental data to estimate the individual-level parameters of this model, and test its predictive accuracy. The model allows a person to care about the ability to increase the payoff of another to a separate degree than the ability to decrease the payoff of another.

Other Regarding Preferences 2 (Room: 603)

Title: Reciprocity in Lying for Others

Speaker: Maniadis Zacharias (University of Cyprus)

Abstract:

In a setup simulating the evaluation of others' performance in work environments, we investigate the impact of reciprocity. Our model predicts that in sequential assessment settings, reciprocal behaviour prompts agents to systematically over-report. Our online experiments show that indeed the conduct of first movers diverges markedly from truthful reporting, leaning distinctly towards over-reporting. This tendency weakens in conditions simulating anonymous/simultaneous interactions, indicating that the structure of performance evaluation is critical. The prevalence of deception in various work environments underscores the need to comprehend its dynamics. People's approach to deception is linked to the extent to which it impacts others. This study focuses on a unique form of reciprocity, where individuals may engage in deceptive behaviour on behalf of others (i.e. agents' reports exclusively influence the payoffs of others). Indeed, workers often take turns evaluating each-other's performance. This may introduce incentives for lying, distorting the assessments of others' performance. The simple environment involves two individuals, each tasked with assessing someone else. By varying the sequence between assessments (simultaneous vs. sequential) and the nature of the relationship between players (belonging to a group or not, and assessing the assessor or not), we can explore the role of reciprocity. Our theory predicts that in environments with sequential and reciprocal assessments, the first mover provides a higher assessment of the second player, anticipating a higher assessment in return. We examine our predictions in a set of preregistered online experiments with representative samples in the UK and US. Our theory employs a framework of interacting altruism levels. In such an environment, lying-averse assessors, characterized by a privately observed altruism parameter, will judge the quality/performance of another agent differently depending: 1) on their own altruism, and 2) on the perceived altruism of the agent whose performance they assess. That is, agents want to be more generous to more altruistic individuals, and hence if an assessor expects to be assessed in the future by the agent she assesses now, she has incentives to over-report and thus exaggerate her altruism level. When reciprocity in assessment is not present, the report only depends on the assessor's performance and level of altruism. In the experiments, the actual 'quality' of individual performance is determined using a roll of a six-sided dice observed by the assessor, but individuals are free to report any value from zero to five. Our results reveal that participants are willing to lie to induce a high assessment in return. Additionally, first movers disproportionately report the maximum allowable value for others. This can be construed as an attempt to clearly signal willingness to benefit the other person. Moreover, average reports are consistently higher than the (unbiased) expected report. Interestingly, in the sequential and reciprocal environment, we find a positive correlation between the reports of second movers and the reports of first movers. That is, second movers appear to respond to first movers' reports, providing, to the best of our knowledge, the first pieces of evidence of reciprocity in lying within peer-review systems.

Other Regarding Preferences 2 (Room: 603)

Title: Social Capital and Preferences across Time: Trustlab Japan

Speaker: Ogaki Masao (Faculty of Economics, Doshisha University)

Abstract:

This paper studies how experimental and survey measures of trust change over time for individuals and how these changes are correlated with changes in behavioral measures of trustworthiness, altruism, reciprocity, cooperation, and risk tolerance. In the Trustlab Japan project, panel data sets for different target populations that follow the same individuals with online experiments and surveys were collected by the Trustlab Platform in Japanese. This platform is internationally comparable and includes four incentivized tasks for the trust game, the public goods game, the dictator game, and a lottery choice. The data sets in the project are the only data which have both experimental and survey measures of trust for the same individuals for two or more points in time. This paper analyzes three panel data sets with at least 250 samples from this project. The survey measures of trust are less volatile over time than the experimental measures of trust and other behavioral measures. The change in the experimental measure of trust is positively correlated with each of the changes in social behavioral measures of trustworthiness, altruism, reciprocity, and cooperation with only a few exceptions of statistically insignificant correlations. The change in each of our two survey measures of trust is less positively correlated (both in terms of the smaller magnitude of correlation and of less frequent significance) with the changes in these social behavioral measures. The change in the experimental and survey measure of trust is sometimes positively correlated with the change in risk tolerance. There is evidence that part of these changes was caused by COVID-19 for people living in larger sized metropolitan areas. These results are consistent with a class of models in which social capital affects preferences and preference shocks also affect social capital.

Abstracts for Parallel Session 9 (Continued)

Environment 2 (Room: 604)

Title: Goal Setting and Task-Based Incentives: A Field Experiment on Electricity Conservation

Speaker: Chuang Yating (Academia Sinica)

Abstract:

This study examines the impact of goal-setting as a strategy for energy conservation through a field experiment involving 1,700 community participants. Among these, 300 have smart meters, while the remaining participants do not. Subjects will be randomly divided into three groups: Assigned Goal, Adopted Goal, and a control group. A rigorous balance check was conducted to confirm no significant differences in early June electricity usage, household size, house area, or key demographic information collected during the baseline survey among the three groups. In the intervention, participants in both the Assigned Goal and Adopted Goal groups are encouraged to achieve a 5% reduction in energy use compared to their respective comparison groups. The key distinction is that participants in the Assigned Goal group are directly instructed to meet this target, while those in the Adopted Goal group are first asked if they are willing to commit to this 5% reduction. The control group does not receive a specific goal but is given information about their bi-weekly electricity usage. The experiment is structured in two phases, one in July and another in September, to assess the short-term effects of the intervention. In the first phase, participants receive the goal without additional suggestions. In the second phase, they are provided with specific energy-saving tasks. Our preliminary results suggest that receiving specific tasks helps participants to reduce their energy consumption.

Environment 2 (Room: 604)

Title: Interactive Effects of Subjective Beliefs and Objective Information: Theory and Experimental Evidence from Agriculture

Speaker: Lin Yu-Hsuan (The Catholic University of Korea)

Abstract:

This study explores decision-making in agricultural investment and insurance, emphasizing the interaction between subjective beliefs and objective information. Subjective factors include perceptions of risk, event probabilities, and pessimism, while objective factors encompass average probabilities and information ambiguity. Theoretical models based on an actuarially fair insurance scheme incorporate four decision frameworks—subjective expected utility, mean-variance, maxmin expected utility, and α -maxmin expected utility—to evaluate optimal investments and insurance premiums. A field experiment with 213 farmers in Taiwan examined responses to natural disasters and views on crop insurance. Multinomial logistic regression showed that both controlled factors, such as risk and information ambiguity, and personal factors, including education, history of government subsidies, disaster preparedness, and gender, significantly affect investment decisions. The interaction between subjective and objective factors further influences decision-making, validating the model's predictions. Policy recommendations focus on improving natural disaster management and raising insurance awareness, particularly among vulnerable groups. The study highlights the need to address information ambiguity in disaster prevention and mitigation strategies. It provides insights into farmers' investment behaviors amid climate risks, advocating for comprehensive policies based on observed decision-making trends and the benefits of insurance subsidies.

Environment 2 (Room: 604)

Title: Intergenerational democracy for sustainable resource allocation

Speaker: You Jung (California State University, East Bay)

Abstract:

This paper explores how institutional rules and demographic makeup influence individuals' resource conservation decisions to ensure the sustainability of resources for future generations. Given that many natural resources are on the brink of extinction, understanding how to encourage sustainable practices is more critical than ever. By extending the intergenerational good game (IGG) framework to two-period games, this study employs experiments to simulate the dynamics of cooperation among overlapping generations. The results reveal three key findings: first, resources are more likely to be sustained when extraction decisions are made through median voting compared to systems lacking a formal voting mechanism. Second, resource preservation is enhanced when individuals engage in multi-period decision-making, fostering a longer-term perspective. Finally, individual characteristics—such as gender, the role of female homemakers, and age, particularly senior citizenship—significantly shape cooperative behavior in the context of intergenerational sustainability. These findings underscore the complex interplay between personal attributes and collective decision-making processes, highlighting the crucial role of socio-economic and demographic factors in promoting intergenerational cooperation.

Abstracts for Parallel Session 9 (Continued)

Environment 2 (Room: 604)

Title: Critical Women and Confident Men? Skills Perception and Investment at University

Speaker: Chen Liqing (University of Technology Sydney)

Abstract:

Technological advancements are reshaping traditional job roles, driving a growing demand and higher returns for social skills. However, it remains unclear whether university students are fully aware of which skills are most valued by employers, how best to develop them, or whether targeted information might influence their skill investments and improve their labour market outcomes. Meanwhile, the persistent gender gap in economics shows that women consistently earn less and have lower employment rates despite achieving higher completion rates in university. This gap raises an important question: would men and women respond differently to information intended to shape their skills perception? We conducted a stratified randomised information intervention in a UK higher education institution with third-year university students. Using linked university administrative records and a longitudinal survey, we examined how this intervention influenced students' university investments and job search strategies, focusing on gender-based differences in response. Our findings reveal that students generally hold accurate beliefs regarding employer-valued skills prior to the intervention. While the intervention has minimal impact on students' perceptions of employer-valued skills, it does affect how they think employers evaluate their skills based on CVs, with a negative treatment effect observed. Notably, women in the treatment group revise their self-assessment of skills downward after the intervention, while no significant effect is observed among men. These differing responses result in distinct changes in subsequent behaviours and outcomes. Furthermore, females in the treatment group revise their self-assessment of skills downward following the intervention, while no effect is observed among males. These differential responses lead to distinct subsequent changes in behaviours and outcomes. Treated women demonstrate increased participation in career events and improved academic performance, whereas treated men are more inclined to begin job searches earlier. For treated men, this early job search is associated with a lower likelihood of securing stable, long-term employment 2 years after graduation compared to their untreated counterparts.

Abstracts for Parallel Session 10

Bargaining 2 (Room: 501)

Title: Break the Norm: Bargaining with Preselected Division Rules

Speaker: Pham Tuan Vinh (Waseda University, Graduate School of Economics)

Abstract:

We examine bilateral bargaining, where participants first select a preferred allocation norm and subsequently decide whether to follow this rule in different resource division scenarios. Participants can choose from three principles: equal division, equal gain, and proportional division, which respectively represent strict egalitarian, liberal egalitarian and libertarian ideals. Participants with different norms automatically proceed to bargaining, while those choosing the same norm must decide whether to adhere to their rule's projected allocation. The negotiation stage includes three treatments: a Nash demand game with and without communication, and unstructured bargaining. Analysis of 114 subjects reveals that norm abandonment occurs more frequently when bargainers perceive their projected allocation as unfair: high investors with an equal-division norm and low investors choosing proportional division. With a significantly higher rate of abandonment, proportionality further exhibits the least stable attachment, whereas adherence to equal division appears the sturdiest. Lastly, equal gain, representing a middle ground between two ideological extremes, emerges as the most favored norm at both preselection and negotiation outcomes, even among participants initially attached to other principles.

Bargaining 2 (Room: 501)

Title: Cancellation Clauses and Hold-up with Incomplete Contract: Theory and Experimental Evidence

Speaker: Lai Chien-Yu (886-2-3366-8348)

Abstract:

The hold-up problem is one of the most fundamental and enduring issues in the field of Behavioral Industrial Organization. Although incomplete contracts have been studied extensively, the literature is lacking empirical, and especially experimental evidence. This paper examines the effects of fixed cancellation payment on the hold-up problem through parameterized modelling and results of a lab experiment. Our experiment results conform to the equilibrium prediction in general: setting the cancellation payment too low can lead to agents being held-up, resulting in inefficiently low investment; setting it sufficiently high can enhance the agent's incentive and solve the hold-up problem, but setting it too high could lead to the agent to invest an inefficiently high amount, i.e. the reverse hold-up problem. Our study has important policy implications that carefully designed cancellation clauses could be harnessed by policymakers and mechanism designers to achieve outcomes that maximize social welfare; Another takeaway from our experiment is the learning effect, which also implies that policymakers could expect a contract regime to become increasingly effective over time.

Bargaining 2 (Room: 501)

Title: Behavioral responses to pay transparency: Experimental evidence

Speaker: Yuan Huaiping (The Chinese University of Hong Kong, Shenzhen)

Abstract:

Wage transparency policies are a popular policy tool, aiming at decreasing gender pay inequality by closing gaps that arise in wage negotiations. In an online laboratory bargaining experiment, we study how beliefs and behaviour respond to such wage transparency. The experiment identifies the effect of two elements of wage transparency: (1) the endogenous vs. exogenous availability of information, and (2) the availability of accompanying performance information. We show that in contrast to endogenously acquired wage information, wage information that is provided exogenously increases overall wages. So does the provision of performance information. However, neither type of information is able to reduce the gender wage gap. The social comparison inherent in negotiations with wage information may even deter women from entering negotiations and lead to an unfavorable selection of workers requesting such information.

Abstracts for Parallel Session 10 (Continued)

Bargaining 2 (Room: 501)

Title: Exclusionary Bargaining Behavior in 14 Countries: Prevalence and Predictors

Speaker: Baranski Andrzej (NYU Abu Dhabi)

Abstract:

Primates are known to engage in exclusionary behavior, forming alliances to block a minority from accessing scarce resources. Humans are no exception, and examples of exclusionary behavior abound in political, business, and social settings. However, despite its socio-economic relevance, little is known about the prevalence and determinants of such behavior worldwide. Conducting an experimental game in which a group divides resources by majority rule, we document considerable global heterogeneity in exclusionary behavior. Whereas exclusion is modal in some countries, inclusive behavior is the norm in others. Despite significant cross-country variability, we nevertheless find that individual-level characteristics matter similarly across contexts. Men, individuals with a deliberative reasoning style, and ideologically right-leaning individuals, are consistently and substantially more exclusionary. Cross-country differences in the formation of exclusionary alliances correlate with an original Hierarchy Tolerance Index, derived from variables measuring cultural acceptance of power inequalities. Our findings carry important implications for decision-making bodies, as they indicate that the identity of decision-makers and the culture in which they are embedded can affect how equitably resources are divided.

Nudges 3 (Room: 502)

Title: Privacy and Advertising Preferences in VoD Settings-The Role of Privacy Concerns, Persuasion Knowledge, and Experience

Speaker: Palinski Michael (University of Warsaw)

Abstract:

This study explores stated preferences for privacy and advertising in the Video on Demand (VoD) context, focusing on Netflix subscribers in Poland. We investigate how privacy concerns, persuasion knowledge, and personal experience related to online activity affect these preferences. In a Discrete Choice Experiment framework, study participants were presented with hypothetical choice situations to evaluate their preferences for three types of Netflix subscription plans that vary by the extent of data sharing and ad support. The study design involved a hypothetical regulatory scenario that mandated platforms to guarantee minimal data usage or offer compensation for data sharing. A series of responses to hypothetical scenarios from 2,087 participants was analyzed using Hybrid Choice Modeling. The results reveal that users are sensitive to the disclosure of personal information in the context of VoD, yet they are open to accepting monetary compensation for a certain degree of sharing. Users with greater persuasion knowledge are more willing to exchange data for discounts, provided the plans do not include personalized ads. Conversely, users with higher privacy concerns prefer plans with minimal data sharing, even when discounts are offered. An experiential treatment, where users interacted with a simulated Netflix platform to better understand data usage, reduced privacy concerns but did not affect persuasion knowledge. In addition, we find significant differences in estimations between the treatment and control groups, indicating hypothetical bias, particularly regarding time preferences, with treatment respondents more sensitive to ad length. From a policy perspective, our findings suggest that regulatory frameworks should empower users with greater control over their data and emphasize transparency, particularly as VoD services increasingly rely on data-driven business models.

Nudges 3 (Room: 502)

Title: Closing the Gender Gap in Willingness to Contribute Ideas: A Lean-in Intervention

Speaker: Chen Josie I (National Taiwan University)

Abstract:

Previous research shows individuals contribute fewer ideas when questions conflict with gender stereotypes, generating gender gaps in idea contributions and hurting group performance. We develop two 'lean-in' interventions aimed at bridging such gender gap and mitigating its adverse effects on group dynamics. These interventions give precedence to either men's or women's responses, while allowing participants to opt out costlessly to effectively neutralize this preferential treatment. In a pre-registered lab experiment, we find that these interventions successfully foster idea contributions, in both stereotypically congruent and incongruent fields, without compromising group performance. Men are more susceptible than women to the interventions in previously shy-away fields. These findings can be explained by people showing no extra aversion to self-promotion in stereotypically incongruent fields. We find no evidence of backlash against those favored by preferential treatment.

Abstracts for Parallel Session 10 (Continued)

Nudges 3 (Room: 502)

Title: The Dark Tetrad and Leadership Selection

Speaker: Murad Zahra (University of Portsmouth)

Abstract:

Those who are more Machiavellian, narcissistic, psychopathic and sadistic are more likely to self-nominate into leadership roles, and perform worse once they become leaders; creating toxic work environments, unnecessary risk for companies, and exposure to legal issues. Across two studies, we propose and test an intervention to encourage candidates with lower dark personality traits to also step forward to lead. In Study 1, with a representative Dutch population sample of 2,613 participants, we test whether letting prospective leaders learn group member preferences and norms lowers the responsibility costs of leading, making lighter individuals more willing to lead. We find that, at baseline, those higher in Machiavellianism, narcissism and sadism are more willing to self-nominate, which is explained for Machiavellians and sadists by having lower responsibility costs from leading. We also confirm that darker leaders are less considerate of group member preferences and norms, with those higher in each trait being less willing to look at the information before deciding for group members. However, we find that being able to learn preferences and norms did not encourage less dark individuals to lead. In Study 2, we design an alternative intervention of using co-leadership setups to make leadership decisions. We find that co-leadership decreases the responsibility cost element of the leaders' decision making process and successfully attracts individuals with lower dark trait scores. This has significant implications for organisations looking to recruit leaders with lower dark personality scores, by suggesting that diffusing responsibility for decision making processes will attract less dark leaders than diffusing responsibility for outcomes.

Nudges 3 (Room: 502)

Title: Do reminders improve survey response and mitigate selection bias? An field experiment

Speaker: Song Fei (Toronto Metropolitan University)

Abstract:

Surveys are a major measurement tool in social science. Survey participation is most often voluntary, so not everyone participates. In fact, the response rate (RR) can be quite low (Stolzenberg and Relles, 1997). Low RR worsens survey 'quality' by increasing sampling error and, possibly, selection bias in estimating quantities or relationships of interest (Heckman, 1979; Berk, 1983). Using reminders to complete a survey has been recommended for improving survey RR (Stantcheva, 2023; Dillman et al., 2014), and about one sixths of surveys use reminders (Holtom et al., 2022). Observational studies report an increase in RR following a reminder (Edwards et al., 2007; Becker, 2022), but there is little experimental research on the causal impact of reminders on RR. Our study fills this gap. We conducted a field experiment in a large, first-year course where 720 students were enrolled, to all of whom we sent out an invitation to participate in a survey on career aspirations. We also sent out two friendly reminders, spaced at one week and two weeks after the initial invitation to participate in the survey study, to subsamples randomly chosen before our intervention. We used three types of reminders: 1) 'neutral' with a text of a mere reminder to participate in the survey, 2) 'pro-social', with a text stressing the importance of survey participation for the common good of creating scientific knowledge, and 3) 'pro-self', emphasizing individual monetary gain from participating (a chance to win a \$50 Amazon voucher). We find that reminders increase RR from 0.19 in the no-reminder condition to about 0.27 in the reminder conditions, a significant effect both statistically and magnitude-wise. There is no significant variation in RR across the three reminder types, nor are there significant differences in the respondents' socio-demographic characteristics or survey responses. The uniformity of the effect of reminders on RR suggests that reminders are a simple memory tool rather than a more elaborate nudging device appealing to one's attitudes, and validates their use as an exogenous instrument in regression models used to account for sample selection, such as Heckman's. We also explore whether there is any selection bias with respect to those who responded to the survey versus those who didn't on their socio-demographic characteristics.

Finance 2 (Room: 503)

Title: The transmission of economics believes into housing markets

Speaker: Tichy Tomas (Technical University of Ostrava)

Abstract:

After introducing the financial accelerator effect into the New Keynesian model with heterogeneous expectations, we now study how believes about real market data can influence behaviour at housing market. Within our setting we run several experiments in student labs and study how the participants aggregate various information under particular settings. Specifically, we are interested to see the linkage between the (unconventional) monetary policy and possible instability at the housing market and try to provide interesting findings about market agent reaction to particular announcements policy makers. In summary, the results allow us to further investigate the investment market linkage with the real economy and investigate possible contagion of instability.

Abstracts for Parallel Session 10 (Continued)

Finance 2 (Room: 503)

Title: The Interaction of Memory Imperfections

Speaker: Quint Marcel (LMU Munich)

Abstract:

The standard model of belief formation applies Bayes' rule to perfectly recalled prior beliefs and signals. While it has long been recognized that people violate Bayes' rule in numerous ways, only recently the economics literature has turned to identifying ways of how people's recall is imperfect as well. Two systematic memory imperfections have been the main focus of attention. First, associative memory describes the phenomenon that memory formation depends on similarity, so that recall becomes more accurate for events that have previously occurred in a similar context as the current context (e.g., Mullainathan, 2002, QJE; Kahana, 2012, OUP; Bordalo, Gennaioli & Shleifer, 2020, QJE; Jiang, Liu, Peng & Yan, 2022, WP; Enke, Schwerter & Zimmermann, 2024, JFE; Wachter & Kahana, 2024, QJE). Second, motivated memory describes the tendency to recall events in a self-serving way, so that more events in support of a desired view of oneself or the world are recalled than contradicting events (Benabou & Tirole, 2002, QJE; Saucet & Villeval, 2019, GEB; Chew, Huang & Zhao, 2020, JPE; Gdker, Jiao & Smeets, 2024, WP). The literature on these memory imperfections evolved in complete isolation from each other. In reality both imperfections typically coexist. If people try to recall past events in order to form beliefs and act upon them, these events are usually 'good' or 'bad' for their desired view of the world and have occurred in specific contexts that may be similar or dissimilar to the current context. Since both imperfections distort people's belief formation in different ways, without knowing how they interact it is not possible to predict how individual beliefs and actions are biased under their coexistence. Their interaction further defines whether information should be provided when they align or misalign with people's motivation. In this paper, we ask the question of how these memory imperfections interact. Specifically, we investigate theoretically and experimentally whether associative and motivated memory complement or substitute each other. We develop a two-stage memory model where recall depends on effort and optimal effort levels solve the trade-off between precision and cost of effort to recall information. Our theory's main insight is that the two recall biases are complements (substitutes) when individuals' recall effort is sufficiently low (high). We then run a laboratory experiment to empirically investigate our research question and test our model's predictions. Participants make investment decisions and receive information (news) regarding the performance of their investments. By manipulating the similarity of the context (associativeness) and the valence of these signals (subjects are either long or short on a risky stock), we can disentangle both recall biases. Our main finding shows that both biases are complements. That is, individuals bias their memories more strongly into a self-serving direction if they are able to exploit associativeness. Subjects therefore seem to self-servingly exploit their cognitive (mechanical) errors. Furthermore, this effect is stronger when subjects exert less effort to recall information which is in line with the predictions of our theory, suggesting that effort is the channel of this interaction effect.

Finance 2 (Room: 503)

Title: Pure Altruism or Pursuing Warm-glow? The Altruistic Motive and its Gender Difference in Socially Responsible Investment

Speaker: Chen Shu (Shanghai International Studies University)

Abstract:

This study investigates whether the altruistic motives of retail investors in socially responsible investment (SRI) stem from pure altruism or the pursuit of warm-glow and explores gender differences in these motives through two experimental studies. Study 1 tested university students in a stock bidding task, using a theoretical model to disentangle pure altruism from warm-glow motivations. Study 2 involved nonprofessional investors in a simulated stock investment task to assess the external validity of Study 1's findings. Our results reveal that SRI altruistic motivations generally include both pure altruism and warm-glow pursuits. For female investors, SRI is primarily driven by warm-glow rather than pure altruism, while male investors are less influenced by warm-glow and more by pure altruism. This study contributes to SRI literature by innovatively disentangling altruistic motives through experimental design and theoretical modeling, providing the first gender-focused examination of SRI motivations. It also offers practical insights for policymakers, managers, and SRI product developers, suggesting gender-based strategies to promote SRI.

Finance 2 (Room: 503)

Title: Underpricing in the IPO market with sentiment traders: An experimental study

Speaker: Nakaizumi Takuya (Kanto Gakuin University Faculty of Economics)

Abstract:

In this study, we experimentally investigate the cause of underpricing and underperformance in the IPO market. Two well-known anomalies of IPOs are high first-day returns and subsequent long-term underperformance. To address this issue, we investigate the IPO market model of Ljungqvist et al. (2006) in the laboratory. In this model, a fraction of sentiment traders enter the market in each period. They irrationally believe that the IPO price is higher than the fundamental value. Other traders forecast IPO prices rationally, i.e., they know the probability P that the IPO price will fall to the fundamental value. The issuing company and an underwriter take the behavior of these traders into account. The underwriter decides in each period how many shares to sell in the IPO market. Ljungqvist et al. (2006) show that underpricing and underperformance occur even when the underwriter has no bargaining power and the firm can set the price as high as the IPO market price under a certain condition. In our pilot experiment, the firm exogenously sells the stock to subjects playing the role of the underwriter. The behavior of rational and sentimental traders is exogenously determined by the computer according to the theory. We have two treatment variables, the probability P that the IPO price will fall to the fundamental value and the number of initial shares Q . The higher P , the more likely it seems that underpricing will occur. However, this is not the case in our pilot experiment. Rather, underpricing is more likely to occur when P is large. The higher P is, the more risk-averse subjects (underwriters) might be expected to sell the shares in earlier periods. However, the subjects (underwriters) are more likely to sell the stock in later periods when P is large in order to keep the price high and preserve enough revenue in the earlier period. We found that the observed behavior maximizes the subjects' (underwriters') profit.

Abstracts for Parallel Session 10 (Continued)

Health 2 (Room: 601)

Title: Localized Mediterranean Diet Intervention for Human Health Optimization and Behavioral Change

Speaker: Seres Gyula (National University of Singapore)

Abstract:

The Mediterranean diet, and adaptations from it in a localized context, have shown promise in mitigating a variety of health concerns which include diabetes mellitus, hypertension, and major cardiovascular events. Extrapolating on the benefits of the Mediterranean diet, implementing a localized version could potentially bring about a plethora of similar benefits in individuals seeking better health outcomes. This study investigates the impact of a localized Mediterranean diet on healthy participants' biomarkers. The intervention consists of providing a free complete diet with three meals daily for a period of 10 weeks. The analysis assesses how key indicators such as cholesterol levels, blood pressure, and insulin sensitivity respond to the aforementioned diet which have previously been investigated. Using the Becker-DeGroot-Marshak (BDM) method before and after the intervention and detailed qualitative surveys, the study explores the feasibility of sustained engagement and adherence. To identify the role of willingness to pay (WTP) in driving adherence, the design controls for metabolic effects using real-time continuous glucose monitor (CGM) data and repeated health screening. The study design is a novel hybrid approach to separately identify the effects of metabolic processes and incentives in driving lifestyle-related behavior change.

Health 2 (Room: 601)

Title: Nudges for COVID-19 vaccine hesitant population are effective

Speaker: Moeller Jakob (Wirtschaftsuniversität Wien)

Abstract:

Vaccine hesitancy is a major public health challenge. In this paper, we provide evidence on the effectiveness of pre-booked COVID-19 vaccination appointments for vaccine-hesitant populations from a nationwide programme in Austria. We exploit two sources of exogenous variation: First, we make comparisons between residents in participating and non-participating states. Second, we use variation in timing of the appointments within states to identify the causal impact of the appointment. We find that the pre-booked appointment significantly increases the individual probability of vaccination. Our large and rich data allows us to explore heterogeneous treatment effects. We find that the intervention is particularly effective for individuals who are older, less educated, have lower income, or are foreigners.

Health 2 (Room: 601)

Title: Reference-dependence and mood: anhedonia and feeling down are associated with divergent reference points

Speaker: Svenson Alexander (The University of Sydney)

Abstract:

Objective: Mood disorders such as major depressive disorder manifest as different yet overlapping symptom clusters across individuals, with heterogeneity in aetiological factors that can complicate diagnosis and treatment. Building on past research on reference dependence and mental health, we develop and test the hypothesis that two key diagnostic symptoms of depression: (1) anhedonia and (2) feeling down, depressed, or hopeless; are associated with miscalibrated and diverging reference points. **Method:** We recruited a representative sample of 443 participants on Prolific. We measured participant's reference points by both estimating them from a lottery choice task and through self-reports. The choice task involved deciding whether one preferred a lottery with two possible (probabilistic) outcomes or a sure outcome. Using Expected Subjective Value Theory (Glimcher and Tymula, 2023), we estimated participants' reference points based on their decisions in the lottery task. We measured self-reported reference points as expectations of task earnings and income expectations. We also asked subjects to complete Patient Health Questionnaire-9 (PHQ-9) which assesses the severity of multiple depressive symptoms. We applied maximum likelihood estimation and regressions to investigate the association between depressive symptoms and reference points. **Results:** Anhedonia (PHQ item 1) was associated with higher reference points while feeling down/depressed/hopeless (PHQ item 2) was associated with lower reference points. Our estimates indicate a person reporting anhedonia nearly every day (highest severity) would have a reference point 75% higher, while the reference point is nearly halved for those reporting feeling down nearly every day. While the statistical strength varied, the same directional pattern was found across all our measures of the reference point. The income expected in one year by someone reporting persistent anhedonia only compared with feeling down only was estimated to diverge by almost 40,000 USD. Moreover, risk tolerance and response times diverged in expected ways based on reference dependent value functions: high severity anhedonia increased the frequency of risky choice by 16%, while high severity feeling down decreased it by 11%. Preliminary data from clinically depressed treatment-resistant patients indicate reference dependence may covary with symptoms severity across two time-points, supporting our cross-sectional analysis. **Conclusion:** Our results provide evidence that reference-dependence may be useful for understanding the aetiology of mood-disorders, including differences across symptom clusters, which holds promise for improved diagnosis and treatment.

Abstracts for Parallel Session 10 (Continued)

Health 2 (Room: 601)

Title: Taste or Test? Experimental Evidence on Improving Household Demand for Water Quality Testing in India

Speaker: Mukherjee Shagata (Centre for Social and Behaviour Change, Ashoka University)

Abstract:

This study addresses a critical issue in public health: the demand for water quality testing among households in India, a nation that battles with significant waterborne disease burdens. Through a randomized field experiment, we investigate whether enhancing awareness and salience about imperceptible water contaminants and demonstrating evocative water testing procedures can elevate the demand for scientific water quality testing. We find that videos conveying negatively framed messages about the dangers of poor quality water increase willingness to pay for water quality test results in a lab setting, while messages about the benefits of clean drinking water or about the methods for scientifically testing water quality do not.

Other Regarding Preferences 3 (Room: 602)

Title: Being in a Group, No Guilty Feelings Anymore for the Opponent: An experimental study of guilt aversion in group decision

Speaker: Mitani Yohei (Kyoto University)

Abstract:

Why are groups significantly more selfish than individuals? We hypothesize that being in a group significantly reduces the feelings of guilt for letting down the opponent. We conducted several variants of dictator and ultimatum games to test our hypothesis. The experimental literature that compares individual and group-representative decisions indicates that people behave more selfishly when they are given the responsibility to act on behalf of a group than when they make a decision solely on their own behalf. We propose a new explanation for this phenomenon in dictator games in light of guilt aversion. While an individual alone facing an opponent considers one's beliefs about the opponent's expectations, an individual acting on behalf of one's group would be more concerned about one's own group member's expectations rather than the opponent's expectations. We use a within-subject experiment to investigate the effect of guilt aversion on group-representative decisions in the dictator game. Instead of trying to manipulate first or second-order beliefs, we directly compare decisions made in a group dictator game with those made in two variants of a group ultimatum game. In the in-group ultimatum game, the division proposed by a group representative can be accepted or rejected by one's own group member so that the group representative's beliefs concerning one's group member's expectations are clearly relevant for decision-making. On the other hand, in the out-group ultimatum game, the division proposed by a group representative can be accepted or rejected by the opponent group representative so that the proposing group representative's beliefs concerning the opponent group representative's expectations are relevant for decision-making. We find that the average group representative's offer made in the group dictator game is significantly lower than one made in the out-group ultimatum game and not significantly different from one made in the in-group ultimatum game. Our result suggests that the reason why people behave more selfishly when they are given the responsibility to make decisions on behalf of their group is because they are more concerned about their group members' expectations than their opponents'.

Other Regarding Preferences 3 (Room: 602)

Title: Uncertainty Principle of Human Dishonesty

Speaker: Sohn Jin-yeong (Dongbei University of Finance and Economics)

Abstract:

We provide an experimental test to distinguish two prominent theories of lying aversion: perceived cheating aversion (Dufwenberg & Dufwenberg 2018; D&D) and reputation for honesty (Gneezy et al. 2018, Khalmetski & Sliwka 2019). We use a novel belief-elicitation method, which allows us to estimate the subjects' strategies, i.e. probability of reporting $y \in \{1, \frac{1}{2}, 6\}$ conditional on die roll $x \in \{1, \frac{1}{2}, 6\}$. We also compare lying behavior across various non-linear payoff schemes. Our results support no-downward-lies and uniform-cheating properties proposed by Dufwenberg & Dufwenberg (2018). We find partial support for an implication of reputation for honesty; people use maximal lies more (less) frequently under a convex (concave) payoff scheme.

Abstracts for Parallel Session 10 (Continued)

Other Regarding Preferences 3 (Room: 602)

Title: Can Inequality Aversion Explain Upstream Indirect Reciprocity?

Speaker: Miura Takahiro (Wakayama University)

Abstract:

This paper investigates the mechanisms of upstream indirect reciprocity through a laboratory experiment. Specifically, we examine whether the inequality aversion model, which plays a fundamental role in studies of direct reciprocity, can also explain upstream indirect reciprocity. To capture upstream indirect reciprocity, we conduct a two-round dictator game with rotating roles in groups of three players. In the first round, one player acts as the receiver, and in the second round, that player takes on the role of proposer. In our experiment, however, only one of the two rounds is randomly chosen to count toward the experimental reward, meaning that decision-making within the inequality aversion model depends on the differences in rewards within each round. By examining whether this choice aligns with behavior observed in a one-shot dictator game, we explore whether upstream indirect reciprocity stems from motivations to avoid inequality.

Other Regarding Preferences 3 (Room: 602)

Title: Emotional Arousal and Behaviour toward Risk: Further Examination Using VR (Virtual Reality) and Biometric Data

Speaker: Thomas Stephanie (Saint Mary's University)

Abstract:

Many decisions in life involve risk. The vast literature on judgment and decision-making under risk across many disciplines such as psychology and economics has extensively discussed the distinction between emotional intuition and analytical reasoning. In risky situations, emotional reactions often differ from cognitive assessments of risk that is theoretically rooted in expected utility theory. Furthermore, it has been suggested that emotional reactions often dominate cognitive reasoning in determining behaviour toward risk: a proposition labelled as the 'risk-as-feelings' hypothesis. Virtual Reality (VR), a popular, new, and affordable technology, can simulate and project many environments in 3D to the user, thus creating naturalistic, highly immersive, interactive experiences without leaving the lab. By leveraging this new technology, we hope not only to record participants' emotional reactions to risk, but also to develop experimental treatments in which emotions play a consistently greater or lesser role relative to the cognitive assessment of risk and expected return. The primary objective of our experiment is to measure risk preferences and decision-making under different VR. By utilizing virtual environments in conjunction with biometric data, our research explores how people emotionally respond to and make decisions in various settings. Risk preferences and decision-making are measured via an adaptation of the Eckel and Grossman (2002) task. Biometric data collected include that contain measurements of skin conductance and heart rate are collected as well. 60 participants from the Experimental and Applied Economics participant pool were recruited for the experiment, which took place at the University of Guelph's FARE Lab. Two treatments, Scene 1 (Neutral) and Scene 2 (Gaming), were implemented via a within-subjects design with randomized order. Each treatment has a series of coins lined up linearly for participants to make their choice of toss. Each coin has two possible payoffs, and each payoff occurs with equal probability. The payoffs on each side of the coin represent one of the 9 options of the Eckel and Grossman (2002) task. A pre-experiment questionnaire and a post-experiment questionnaire were administered to gather demographic background information. Each participant received a payment ranging from \$7- \$30 depending on their decision-making and the outcome of their decisions. This presentation will discuss the use of virtual reality in the lab as well as the results of this study.

Rationality 2 (Room: 603)

Title: When Transparency Fails: How Altruistic Framing Sustains Illusions of Predictability Despite Complete Information?

Speaker: Zhang Xiaojie (Nanyang Technological University, Singapore)

Abstract:

We investigate whether complete information about the randomness of prediction-generating processes mitigates the hot-hand fallacy and under what conditions it fails to do so. In a pre-registered laboratory experiment, we showed that transparency about the prediction-generating processes reduced individuals' belief in the hot-hand effect and demand for useless predictions of fair coin tosses. However, this effect was significantly weakened when predictions were framed as charitable donations. Participants exposed to streaks of accurate predictions under altruistic framing were more inclined to donate despite knowing the randomness involved. We explore underlying mechanisms and discuss implications for decision-making in economics and finance.

Abstracts for Parallel Session 10 (Continued)

Rationality 2 (Room: 603)

Title: Economics Rationality and Choice Consistency across Risk, Time, Social, and Health Domains

Speaker: Li Flora (Guangdong Institute of Intelligence Science and Technology)

Abstract:

Understanding choice consistency is pivotal in refining behavioral economic models, as it provides insights into whether individuals apply a coherent decision-making framework across different domains. The revealed preference theory offers a unified approach to testing choice consistency in different decision contexts. We employ a classic graphical decision interface, where participants choose allocations along randomly selected budget lines, offering a direct observation of preferences in action. Participants engage in decisions encompassing four critical areas: allocation between two Arrow-Debreu securities for risk assessment, choosing between receiving money today versus in one month for time preference, deciding on monetary allocation for self versus charity for social preference, and selecting between healthy and unhealthy snacks for health-related choices. This methodology allows us to capture authentic intrinsic preferences without imposing external preference structures, yielding data that genuinely reflect economic behavior. Preliminary results indicate that risk, time, and social choices exhibit consistency as evidenced by CCEI correlations, aligning with previous literature. However, consistency is less evident in health choices. Factors contributing to this inconsistency may include the non-monetary nature of food incentives, which may lead participants to assign less importance to these decisions, and a heterogeneity in perceptions of what constitutes healthy eating. These insights suggest a need for economic models to accommodate varying consistency across decision-making contexts. Our research challenges existing behavioral assumptions and opens pathways for developing refined models, with implications for sectors such as finance, healthcare, and welfare economics, where accurately predicting behavior is essential.

Rationality 2 (Room: 603)

Title: Self-Control and Problem Gambling

Speaker: Mizen Nicholas (Life Courses Centre)

Abstract:

Participation in online gambling has surged during the last two decades. Since the U.S Supreme Court's 2018 decision to overturn PASPA, gambling revenues in the United States have grown from \$261 million to \$11.04 billion. In Australia, where 39% of adults gamble monthly, online gambling participation has increased nearly 700% since 2010. Rising participation in gambling is highly associated with an increased risk of problematic gambling, suggesting a potential rise in its prevalence. In this paper, we study the role of a lack of self-control in problematic gambling behaviour. We use a novel dataset from one of Australia's largest gambling companies comprised of 18 months of detailed transactions and accounts records. We designed and administered a survey to a stratified random sample of clients, where a total of 1,457 clients completed the entire survey. Our survey includes questions about gambling behaviour, gambling harm, self-control, self-awareness and demographics. Using client responses, we classify individuals as time-consistent versus naive or sophisticated in relation to their self-control problems, by comparing their predicted and ideal gambling losses to their observed gambling behaviour in the data. We analyse the relationship between clients' self-control, gambling patterns, use of commitment devices, and self-awareness.

Rationality 2 (Room: 603)

Title: Optimal utility

Speaker: Tymula Agnieszka (University of Sydney)

Abstract:

Using a computational approach, we investigate the optimal representation of subjective value in the resource-constrained brain in environments characterized by different reward distributions. We compare the optimal utility functions that emerge under two distinct objectives: first assuming that the objective of the chooser is the maximization of expected rewards and second assuming that the objective of the chooser is the minimization of the number of decision errors. Our results show that the optimal reward-maximizing encoding function depends critically not only on the underlying reward distribution but also on the level of noise in the nervous system's encoding process. As expected, in a low-noise decisional system any monotonically increasing encoding optimally maximizes expected returns and minimizes errors. As noise increases, more complex encoding functions become optimal, such as sigmoidal or logarithmic, depending on the distributional structure of the environment. Finally, we quantify the expected payoff gains and error rate reductions that would result from relaxing the resource constraint in the brain i.e. from reducing the noise in value encoding. Our research provides a framework for understanding the link between reward encoding, environmental conditions, neural efficiency, and utility with implications for choice theory.

Abstracts for Parallel Session 10 (Continued)

Complexity (Room: 604)

Title: Testing Concepts of Simplicity in Mechanism Design

Speaker: Dianat Ahrash (University of Essex)

Abstract:

This paper investigates the possibility of using behavioural solution concepts to improve the efficiency of mechanisms. In particular, if an agent has more than one undominated strategy, we explore the effectiveness of using first-order beliefs (i.e., 'strategic simplicity') and heuristics (i.e., 'range-dominance') to select among the undominated strategies. We show that, while both solution concepts can improve the efficiency of mechanisms for some set of preference profiles, only strategic simplicity yields efficiency improvements for all possible preference profiles. We then test the theoretical predictions using a laboratory experiment and report two main findings. First, the efficiency improvements predicted by theory also hold in our experimental setting. Second, subjects are as likely to follow the behavioural solution concepts as they are to select a unique dominant strategy when one is available. Taken together, our findings suggest that there is scope for broadening the set of mechanisms used in real-world applications.

Complexity (Room: 604)

Title: Correlation Neglect and Narratives in the Ageing Aociety

Speaker: Celadin Tatiana (University Ca'Foscari of Venice)

Abstract:

In recent years, increasing effort has been devoted to investigating the role of information processing in political, economic, and financial decision-making. Correlation neglect has been identified as a major source of bias in belief formation, showing that many individuals fail to correctly account for the existence of correlations among the sources of information they acquire. Moreover, recent studies have been investigating the role of narratives in affecting people's decision-making processes. Since aging is associated with a decline in cognitive abilities, the purpose of this project is to study, through online experiments, whether elderly people are more likely to suffer from biases when processing information, in order to disentangle heterogeneity in preferences from differences in information processing.

Complexity (Room: 604)

Title: Errore Calculi or Calculated Error: Dishonesty in Complex Environments

Speaker: Nieder Pascal (Max Planck Institute for Tax Law and Public Finance)

Abstract:

Compliance with tax laws and reporting standards can be a challenge in complex environments. However, complexity may also enable self-serving lies by feigning honest mistakes. We study how and why complexity affects dishonest reporting behavior. Causal identification relies on varying complexity in two different tasks: (i) a reporting task, in which subjects have a financial incentive to dishonestly inflate their report; and (ii) an accuracy task, in which subjects are paid to produce a factually correct report. We find three main results: First, complexity significantly increases the proportion of factually incorrect reports. Second, about 75-80% of self-serving false reports are honest mistakes rather than deliberate dishonesty induced by complexity. Third, individuals with particularly strong social-image concerns are significantly more dishonest in complex than in simple environments.

Abstracts for Parallel Session 10 (Continued)

Complexity (Room: 604)

Title: How people learn complexity? An experiment on the Dirty Face problem

Speaker: Festré Agnès (Université Côte d'Azur)

Abstract:

This paper aims to investigate the Aha! moment insight (hereafter referred to as 'Ahainsight'). The Aha insight is characterized by a sudden comprehension that can lead to a new interpretation of a situation and point to the solution to a problem. Typically, this insight is associated with a strong positive emotional affect state. The discovery process implied by the Aha insight does not occur at the culmination of mental effort but rather as a flash of understanding after a period of rest or distraction. We investigate the Aha insight through an experimental investigation of a well-known iterative reasoning game known as the Dirty Face problem. The Dirty Face problem, formally described by Littlewood (1986), is a prominent example of induction puzzles in mathematics, dating back as early as 1961 (Gardner, 1961). Since the early 2000s, the Dirty Face Problem has been utilized in economic experiments. Weber (2001) and Bayer and Chan (2007) reconfigured the problem settings to require only finite levels of rationality to reach the desired equilibrium outcome. This allowed them to investigate whether real individuals' behavior aligns with theoretical predictions, particularly regarding the number of iterations required to solve the problem. Notably, the Dirty Face problem is intriguing for testing purposes because, unlike competitive guessing games such as the beauty-contest game, players cannot gain an advantage by being only marginally more rational than others; comprehension can only occur when all players are fully rational. More recently, Bayer and Renou (2024) addressed this externality issue by implementing a design that enables the comparison of interactions with humans and interactions with machines. As the machines are fully rational, the game is then implemented as a task for a single decisionmaker. We implement a design similar to that of Bayer and Renou (2024), where a single decisionmaker interacts with four fully rational machines. However, unlike their setup, the puzzle is not played only once; each decision maker plays the puzzle 60 consecutive times. The focus of our paper is to investigate the learning process and capture the Aha insight when the flash of understanding occurs. Additionally, we test for different orderings of complexity levels, where complexity is defined as the number of iterations necessary to solve the puzzle. In one treatment, the level of complexity is uniformly distributed between 1 and 5. In a second treatment, complexity regularly increases over time. We combine a traditional experimental investigation with two physiological measures—face reading of emotions and heart rate—to capture the Aha insight. Our research questions aim to investigate (1) how people learn under different orderings of complexity levels in the game and (2) how the distribution of puzzle complexity influences the occurrence and strength of the Aha insight.