

Accepted Manuscript

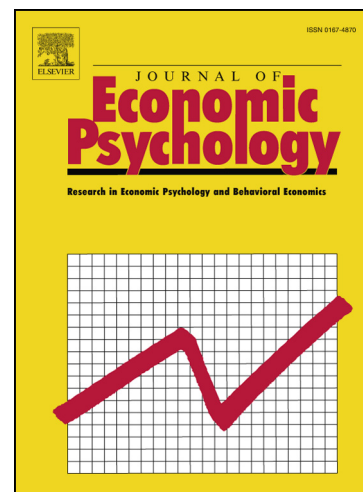
Searching for Preference Stability in a State Dependent World

Utteeyo Dasgupta, Lata Gangadharan, Pushkar Maitra, Subha Mani

PII: S0167-4870(16)30584-0
DOI: <http://dx.doi.org/10.1016/j.joep.2017.05.001>
Reference: JOEP 2009

To appear in: *Journal of Economic Psychology*

Received Date: 25 September 2016
Revised Date: 27 April 2017
Accepted Date: 1 May 2017



Please cite this article as: Dasgupta, U., Gangadharan, L., Maitra, P., Mani, S., Searching for Preference Stability in a State Dependent World, *Journal of Economic Psychology* (2017), doi: <http://dx.doi.org/10.1016/j.joep.2017.05.001>

This is a PDF file of an unedited manuscript that has been accepted for publication. As a service to our customers we are providing this early version of the manuscript. The manuscript will undergo copyediting, typesetting, and review of the resulting proof before it is published in its final form. Please note that during the production process errors may be discovered which could affect the content, and all legal disclaimers that apply to the journal pertain.

Searching for Preference Stability in a State Dependent World^aUTTEEYO DASGUPTA¹, LATA GANGADHARAN², PUSHKAR MAITRA², SUBHA MANI³

APRIL 2017

Abstract: We evaluate stability of preference using a randomized intervention that exogenously changes the income opportunity set of participants. We use a unique panel data, comprising of surveys and lab-in-the-field experiments conducted before and after the intervention, to examine whether our elicited measures of preferences (risk, competitiveness, and confidence) remain stable. We find that after accounting for the change in the income opportunity set, the elicited preferences indeed appear to be temporally stable under a state dependent framework. Consequently, even though we find across subject variation in preferences, the average measure of preferences remain temporally stable, providing support to a representative agent model of decision-making with temporally stable preferences.

Keywords: Temporal stability of preferences, State Contingent Preferences, Lab-in-the Field Experiment

JEL Classification: C9, D01, D03

^aFunding was provided by Monash University, Australia, Fordham University, USA, and AusAID under the ADRA scheme. The funders had no involvement in study design or the collection, analysis, and interpretation of data. IRB approval received from Fordham University and Monash University.

¹Department of Economics, Wagner College, and Center for International Policy Studies, Fordham University, NY USA.

²Department of Economics, Monash Business School, Monash University, Australia.

³Department of Economics and Center for International Policy Studies, Fordham University, NY USA; Population Studies Center, University of Pennsylvania, PA, USA; IZA, Bonn, Germany.

Acknowledgements: We thank the editor, two anonymous referees, Glenn Harrison and seminar and conference participants at Delhi School of Economics, Indian School of Business, Jadavpur University and Haverford College for their comments and suggestions. The usual caveat applies. Shelly Gautam, Inderjeet Saggu, Sarah Scarcelli, and Raghav Shrivastav provided excellent research assistance. We are especially grateful to Shailendra Kumar Sharma, Samyukta Subramanian, and the staff of Satya and Pratham for their outstanding work in managing the implementation of the vocational training program and lending us support for the lab-in-the field experiments.

Download English Version:

<https://daneshyari.com/en/article/5034725>

Download Persian Version:

<https://daneshyari.com/article/5034725>

[Daneshyari.com](https://daneshyari.com)