



**DMEP**  
Decision Making and  
Economic Psychology

Guilford Glazer Faculty of  
Business and Management  
Ben-Gurion University of the Negev



**i-CORE**  
Israeli Centers of Research Excellence  
The Center for Empirical Studies  
of Decision Making and the Law

The Federmann Center for the Study of Rationality and  
The Center for Decision Making and Economic Psychology (DMEP) invite you to a joint workshop on

## Social Status, Inequality and Decision-Making

24/06/2019 at Givat Ram Campus, Jerusalem

with Keynote Speaker **Prof. Paul K. Piff**, University of California, Irvine  
and Guest speaker **Prof. On Amir**, University of California, San-Diego

9:00	<i>Welcome Reception</i>
9:30	Welcome address by <b>Ilana Ritov</b> (HUJI)
9:40-10:30	Keynote address by <b>Paul K. Piff</b> (UC Irvine) - <i>Inequality and Its Discontents</i>
10:30-10:50	<b>Eliran Halali</b> (BIU)
10:50-11:10	<i>Coffee break</i>
11:10-12:30	Session #1: <b>Momi Dahan</b> (HUJI), <b>Maya Haran</b> (Bank of Israel), <b>Uriel Haran</b> (BGU), <b>Netta Barak-Corren</b> (HUJI)
12:30-13:30	<b>Lunch</b> and Ph.D. Students Poster Session
13:30-15:00	Session #2: <b>On Amir</b> (UCSD), <b>Ori Weisel</b> (TAU), <b>Ronit Montal-Rosenberg</b> (BGU, TAU), <b>Eyal Ert</b> (HUJI)
15:00-15:15	<i>Coffee break</i>
15:15-16:15	Session #3: <b>Ilan Yaniv</b> (HUJI), <b>Anat Hos</b> (BGU), <b>Ariel Knafo-Noam</b> (HUJI)
16:15-16:30	<i>Coffee break</i>
16:30-17:10	Session #4: <b>Kinneret Teodorescu</b> (Technion), <b>Marina Motsenok</b> (HUJI)
17:10-17:45	<b>Yisrael Aumann</b> (HUJI) - <i>A Synthesis of Behavioral and Mainstream Economics</i>
17:45	Closing Remarks – <b>Simone Moran</b> (BGU)
18:00	<i>Dinner at Caffè Haivrit (self-sponsored, requires pre-registration)</i>

Elath Hall, Center for the Study of Rationality  
Feldman Building 2<sup>nd</sup> Floor, Edmund Safra Campus  
Givat-Ram, Hebrew University of Jerusalem

Full program with abstracts at

<http://bit.ly/RDMEP24619>

For questions contact [eyal.peer@mail.huji.ac.il](mailto:eyal.peer@mail.huji.ac.il)

### **Keynote Presentation: Paul K. Piff (UC Irvine) - Inequality and Its Discontents**

Economic inequality is a dominant social and political issue. Psychologists have joined other social scientists to illuminate the contours of the issue—asking how the gap between rich and poor affects social life, and how to address it. This talk will highlight how ideologies of deservingness shape the pursuit of equality. Across a series of studies including both national and cross-national data, we find that when dispositions (e.g., personal control and effort) are leveraged to explain poverty, people view economic inequality as more fair and oppose efforts to reduce it. In follow up experiments, we show that when notions of deservingness are challenged, for example via reminders of situational barriers to lower-class advancement, people become more opposed to the economic status quo and act in ways to alleviate economic inequality. Together, this work highlights the dynamic interplay between how people construe economic inequality and what they are motivated to do about it.

### **Momi Dahan (Hebrew University) Poverty and Economic Behavior: Gambling at Social Security Paydays**

The goal of this research is to explore whether actual lottery revenues is sensitive to scarcity, as measured by intra-monthly variation in financial resources. Exogenous paydays of social security benefits are employed to generate the intra-monthly variation in financial resources. Using two million observations on daily lottery revenues that cover more than 2,500 lottery outlets in Israel for two years (2015-2016), I find that gambling revenue spikes at social security paydays. The estimation results imply that on Income Support payday aggregate lottery revenues are higher by 5 percent after controlling for outlet, weekday, holidays, month and year fixed effects. However, the calculated aggregate response of lottery revenues on Income Support payday is quite small and equal 0.5 percent of the total monthly payments deposited to the bank account of Income Support recipients. In addition, the other social security and salary paydays induce a trivial impact relative to total monthly payments deposited to the bank account of the respective recipients. These results survive a list of sensitivity analyses and pass a placebo test.

### **Ofir Pinto (National Security Institute) with Maya Haran-Rosen (Bank of Israel), Michal Grinstein-Weiss, Olga Kondratjeva & Stephen Roll (Washington University in St. Louis) The role of demographic, financial, and motivational household characteristics in saving decision: Case study from Israel's National Program**

### **Uriel Haran (BGU) with Mor Krief (BGU), Michal Barina (BGU), Dina Van-Dijk (BGU) Achievers, not winners: Guilt proneness reduces the motivation to compete**

Guilt motivates personal goal achievement and concern for others. People with high proneness to guilt typically exhibit higher determination to succeed, and, as a result, achieve better work outcomes than others. In competitions, achieving one's goals includes preventing others from achieving theirs, hence, in such settings, guilt proneness may not have the same positive motivating effect. We study the role of guilt proneness in competitive situations. In two lab experiments, guilt proneness predicted a preference for playing a game against the computer rather than against another person. In individual tasks, participants with higher guilt proneness displayed higher motivation and achieved better performance, but as predicted, these relationships reversed in competitive tasks. In a field study, we surveyed residents and interns at a hospital about their medical specialty preferences. We found that guilt proneness predicted avoiding the pursuit of specializing in surgical fields, which prior research found to be most strongly associated with status-related (i.e., competitive) values. These results elucidate the link between emotion and goal achievement.

### **Netta Barak-Corren (HUJI) with Noam Gidron (HUJI) and Yuval Feldman (BIU) How Majority Nationalism Laws Shape Intergroup Relations in Ethnically Diverse Societies: Experimental and Observational Evidence from Israel**

Western societies are increasingly legislating majority values and culture in an effort to defend against increased ethnic diversification (majority nationalism laws, or MNLs). Yet the effect of these laws on the social fabric remains unclear. Existing research is still scarce, primarily correlational, and focuses on attitudinal shifts among members of the majority group. We take advantage of the enactment of Israeli Basic Law: The Nation (NL), a constitutional amendment that enshrines Jewish majority culture, to study the impact of MNLs on intergroup relations in Israel. We use three methods: (1) an experiment among majority (Jewish) and minority (Arab) populations to estimate the potential effect of the NL, before its enactment; (2) a panel study; and (3) a cross-sectional study before and after the NL was enacted. In the

experiment conducted prior to the NL's enactment, both Jews and Arabs perceived discrimination against Arabs under the NL as more legal, and social distance between Jews and Arabs deepened. However, in both the panel and cross-sectional studies, we find that only Arab respondents have changed their attitudes over time, as they come to believe they face greater legal discrimination; no such durable change occurred among our Jewish respondents. These findings contribute to the research of MNLs, intergroup relations in diverse societies, and the divergent expressive effects of law.

### **Ori Weisel (TAU) Leaders, hierarchy, and (dis)honesty**

Theoretical background: Humans are an exceptionally cooperative species, cooperating in large groups which extend beyond the boundaries of genetic kinship even when reputational gains are unlikely or impossible. While the benefits of cooperation are indeed clear and numerous, previous work (Weisel and Shalvi, 2015) showed that cooperative tendencies can backfire in settings where there is a tension between cooperation and ethical conduct, leading to increased ethical violations. In the current work we investigate how the hierarchical structure and the presence of leaders (operationalized as “observable first-movers”) affect the nature and extent of unethical behavior. We consider cases where (i) multiple agents are exposed to (different bits of) private information which they are required to communicate upwards in the organizational hierarchy; (ii) agents can misreport the information they possess; and (iii) the success of the group depends on the congruency of the reports. We experimentally vary the hierarchy among reporting agents, which is either (1) Flat, i.e., all agents report simultaneously; (2) Steep, i.e., agents report sequentially one another; or (3) Moderate, i.e., one agent reports first, and the others report simultaneously. Research question / Objectives: How does hierarchical structure—flat, steep, or moderate—affect the tendency to favor cooperative, but corrupt behavior, over ethical standards? Method: As an experimental tool we use a 3-person variant of the collaborative task introduced by Weisel and Shalvi (2015). Participants (N=369) were assigned to one of three conditions. In all conditions, each of three team members privately rolled a die, and reported the result. The team was successful only if all reports were equal to each other, in which case a monetary payoff was granted. Otherwise, there was no payoff. In the Flat condition, reports were simultaneous. Team members reported without knowing what others reported. In the Moderate condition member A reported 1st; the report was communicated to members B and C; and then B and C reported simultaneously. In the Steep condition member A reported first; her report was communicated to member B; B reported; her report was communicated to C; and finally C reported as well. Results & interpretation of findings: In all conditions the proportion of successful trials was way above what would be predicted by chance, indicating excessive levels of dishonesty. The highest levels were found in the Flat condition, in which all team members reported simultaneously. This result was driven by the behavior of “leaders”, i.e., first movers in Moderate and Steep, who tended to shy away from brazen dishonest behavior. Results of a follow-up experiment suggest that this effect is due to leaders' desire to maintain a reasonably normative self-image. Rather than (only) influencing the actions of their followers, our findings are driven by a change in the behavior of leaders themselves. These results are informative to managerial decisions on the optimal hierarchical structure of teams. The main message is that flat, leaderless structures are prone to excessive levels of dishonesty.

### **Ronit Montal-Rosenberg (BGU, TAU) with Simone Moran (BGU) Exploring decisions to seek help from outperforming envied peers**

We explore effects of envy toward upward social comparison targets on people's help-seeking behaviors, primarily focusing on the type of help they seek: (a) dependent help, whereby the helper is requested to provide the solution to an immediate problem only, or (b) autonomous help, whereby the helper is asked to provide an explanation of the means leading to the solution. Consistent with a cost-benefit account, we find people are less likely to seek help, particularly autonomous help, from upward social comparison envied peers. We further find that the reduced tendency to seek autonomous help from an outdoing peer is serially mediated by feelings of envy that instigate malicious motivations, and consequently lead to a desire to avoid situations that might empower the envied outdoer.

### **Eyal Ert (Hebrew University) The effect of payoff asymmetries and issue linkage on cooperation in bilateral conflicts.**

### **Ilan Yaniv (Hebrew University) Reaping a Benefit at the Expense of Others: How do the Losses of Others Count?**

### **Eliran Halali (Bar-Ilan University) The Role of Cognitive Control in Social Preferences - a tDCS study**

Behavioral studies suggest that other-regarding preferences are emotionally-driven, while emotion regulation endeavors required when implementing self-interest motives. Here, we enhanced the neuronal activity of the right Ventro-Lateral-Prefrontal-Cortex (rVLPFC), a brain area associated with emotion regulation processes, using an anodal transcranial-direct-current-stimulation (tDCS), among ultimatum-game responders. Stimulated, compared to control (sham stimulation), participants rejected unfair offers, made both by their partners and by the computer, significantly less often, suggesting that both reciprocity and inequality aversion motives are emotionally-driven. This effect was absent when playing on behalf of another random participant, suggesting that when the self is not involved, decisions are less emotional.

**Anat Hos (BGU) with Michael Gilead (BGU) and Yoella Bereby-Meyer (BGU) Minimal territory paradigm**

A large body of evidence from ethological research suggests that animals exhibit a variety of territorial behaviors. In this research we sought to examine whether similarly fundamental territorial behaviors are part of the human psychology as well. In Study 1 we manipulated territoriality by having participants complete a computerized-task in a private experiment room for twenty minutes, after which they played the dictator game with a pie size of NIS60, with another participant. The game took place in one of the experiment room where participants had completed the previous task, so that one of them was a territory owner while the other was a guest. We found that male participants gave less money to the other player when the game took place at their own territory compared to when the game took place at another player's territory, and that there was no territoriality effect for females. In Study 2 we sought to extend this finding and examine whether territorial roles are so ingrained in human cognition that it could serve as an "institution" that would help arrange behavior under conditions of uncertainty. Therefore, in Study 2 we examined whether participants were able to coordinate based on subtle territorial cues in the economic coordination game "Battle of the sexes". We manipulated territory by assigning colors to stations within a classroom, as well as assigning corresponding colors to participants. Once two players met at a station, they had to make an individual choice of a color, with the goal of choosing the same color chosen by the other player, without having the ability to communicate. Sometimes participants played in a station that matched their color (i.e., as "residents") while other times they played in a station that matched the other player's color (i.e., as "guests"). The results showed that participants did in fact coordinated according to territory; participants chose their own color nearly twice as often when playing at own territory, then at other's territory. This effect was replicated in a third study as well. Overall our results reveal some interesting insights about a human territorial psychology.

**Kinneret Teodorescu (Technion) Competitive search: the influence of having more vs. less options than others**

**Marina Motsenok (HUJI) with Ilana Ritov (HUJI) Weak Alone, Strong Together? The Effect of Perceived Physical Vulnerability on Prosocial Behavior**

Our research examines the relationship between perceived personal physical vulnerability and participation in volunteering activities. In Study 1 we examined whether a sense of physical vulnerability during an armed conflict was correlated with prosocial activities and with increased willingness to help others who were affected. Study 2 examined, under normal conditions, the relationship between perceived overall physical vulnerability and willingness to volunteer and donate money to a health-related organization. Study 3 further examined the relationship between subjective physical vulnerability and willingness to donate to charity. Together, the findings of Studies 1-3 suggest that higher subjective assessment of personal physical vulnerability is associated with higher likelihood to engage in related prosocial activities. Studies 4 and 5 offer preliminary evidence of the direction of causality between these two factors by manipulating perceived risk, and by eliciting likelihood of donation under conditions of high and low vulnerability. The results of these studies suggest that the feeling of being vulnerable promotes willingness to act prosocially towards others.

**Special Lecture - Yisrael Robert Aumann (HUJI)**

**A Synthesis of Behavioural and Mainstream Economics.**

Mainstream economic theory is based on the rationality assumption: that people act as best they can to promote their interests. In contrast, behavioral economics holds that people act by behavioral rules of thumb, often with poor results. We propose a synthesis according to which people indeed act by rules, which usually work well; but in exceptional or contrived scenarios, may work poorly. The reason is that like physical features, behavioral rules are the product of evolutionary processes; and evolution works on the usual, the common---not the exception, not the contrived scenario.