# Crying Wolf in the Lab

authors*

January 13, 2022

**Abstract**

Keywords:

# 1 Introduction

# A Tables

Table 1: WTP for Information (Discrepancy)

| | (1) | (2) | (3) | (4) | (5) | (6) |
|---|---|---|---|---|---|---|
| FP costs | .17 | .213** | .062 | .0744 | .338** | .37*** |
| | (1.6) | (2.3) | (0.4) | (0.5) | (2.3) | (2.7) |
| FN costs | .3*** | .246*** | .329*** | .314*** | .367*** | .32*** |
| | (4.8) | (4.2) | (3.3) | (3.4) | (4.0) | (3.9) |
| Risk-averse | | | -.00425 | -.231 | | |
| | | | (-0.0) | (-0.9) | | |
| Risk-averse × FP costs | | | .145 | .217 | | |
| | | | (0.7) | (1.1) | | |
| Risk-averse × FN costs | | | -.0312 | -.125 | | |
| | | | (-0.2) | (-1.0) | | |
| Accur. beliefs | | | | | .132 | .221 |
| | | | | | (0.7) | (0.9) |
| Accur. beliefs × FP costs | | | | | -.381* | -.365* |
| | | | | | (-1.9) | (-2.0) |
| Accur. beliefs × FN costs | | | | | -.133 | -.145 |
| | | | | | (-1.1) | (-1.3) |
| Constant | -.111 | .413*** | -.139 | .463*** | -.173 | .311* |
| | (-1.2) | (3.4) | (-1.0) | (2.6) | (-1.2) | (1.7) |
| Prior dummies | No | Yes | No | Yes | No | Yes |
| Observations | 744 | 744 | 690 | 690 | 744 | 744 |
| Adjusted $R^2$ | 0.03 | 0.20 | 0.03 | 0.21 | 0.03 | 0.21 |

$t$ statistics in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 2: WTP for Information (Discrepancy, demographic variables)

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) est8 | (9) est9 |
|---|---|---|---|---|---|---|---|---|---|
| FP costs | .17 | .196 | .256** | .0642 | .159 | .233** | .266** | .3** | .325** |
| | (1.6) | (1.5) | (2.1) | (0.4) | (1.0) | (2.0) | (2.5) | (2.0) | (2.4) |
| FN costs | .3*** | .277*** | .208*** | .407*** | .313*** | .272*** | .232*** | .365*** | .335*** |
| | (4.8) | (3.3) | (2.7) | (4.2) | (3.3) | (3.9) | (3.6) | (3.9) | (3.7) |
| Male | | -.131 | -.107 | | | | | | |
| | | (-0.7) | (-0.4) | | | | | | |
| Male × FP costs | | -.0832 | -.124 | | | | | | |
| | | (-0.4) | (-0.6) | | | | | | |
| Male × FN costs | | .0553 | .0968 | | | | | | |
| | | (0.4) | (0.8) | | | | | | |
| Stat. class | | | | -.0936 | .0477 | | | | |
| | | | | (-0.5) | (0.2) | | | | |
| Stat. class × FP costs | | | | .165 | .0859 | | | | |
| | | | | (0.8) | (0.4) | | | | |
| Stat. class × FN costs | | | | -.189 | -.116 | | | | |
| | | | | (-1.5) | (-1.0) | | | | |
| >23 yrs | | | | | | .0397 | -.242 | | |
| | | | | | | (0.2) | (-1.0) | | |
| >23 yrs × FP costs | | | | | | -.331 | -.306 | | |
| | | | | | | (-1.4) | (-1.4) | | |
| >23 yrs × FN costs | | | | | | .133 | .071 | | |
| | | | | | | (0.9) | (0.5) | | |
| Good quiz | | | | | | | | .222 | .173 |
| | | | | | | | | (1.2) | (0.7) |
| Good quiz × FP costs | | | | | | | | -.293 | -.254 |
| | | | | | | | | (-1.4) | (-1.4) |
| Good quiz × FN costs | | | | | | | | -.138 | -.185 |
| | | | | | | | | (-1.1) | (-1.6) |
| Constant | -.111 | -.0545 | .461*** | -.045 | .379 | -.118 | .455*** | -.215 | .333* |
| | (-1.2) | (-0.4) | (2.9) | (-0.3) | (1.6) | (-1.1) | (3.2) | (-1.5) | (1.9) |
| Prior dummies | No | No | Yes | No | Yes | No | Yes | No | Yes |
| Observations | 744 | 744 | 744 | 744 | 744 | 744 | 744 | 744 | 744 |
| Adjusted $R^2$ | 0.03 | 0.03 | 0.20 | 0.03 | 0.20 | 0.03 | 0.20 | 0.03 | 0.20 |

$t$ statistics in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 3: WTP for Information (different risk aversion)

| | (1) $\theta = 0$ | (2) $\theta = 0.5$ | (3) $\theta = 1.0$ | (4) $\theta = 1.5$ | (5) $\theta = 2.5$ | (6) Heterogeneous $\theta$ |
|---|---|---|---|---|---|---|
| FP costs | .183* | .212** | .21** | .165 | .0499 | .162 |
| | (1.8) | (2.1) | (2.0) | (1.6) | (0.4) | (1.3) |
| FN costs | .212*** | .317*** | .431*** | .53*** | .66*** | .234*** |
| | (3.2) | (4.8) | (6.3) | (7.4) | (8.7) | (3.2) |
| Constant | .402*** | .00285 | -.516*** | -1.17*** | -1.67*** | -.0609 |
| | (3.0) | (0.0) | (-3.9) | (-8.8) | (-11.8) | (-0.4) |
| Prior dummies | Yes | Yes | Yes | Yes | Yes | Yes |
| Observations | 594 | 594 | 594 | 594 | 594 | 594 |
| Adjusted $R^2$ | 0.19 | 0.24 | 0.25 | 0.30 | 0.35 | 0.12 |

$t$ statistics in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 4: WTP for Information (different risk aversion)

| | (1) $\theta = 0$ | (2) $\theta = 0.5$ | (3) $\theta = 1.0$ | (4) $\theta = 1.5$ | (5) $\theta = 2.5$ |
|---|---|---|---|---|---|
| FP costs | .213** | .246*** | .246*** | .201** | .0858 |
| | (2.3) | (2.6) | (2.6) | (2.1) | (0.8) |
| FN costs | .246*** | .348*** | .46*** | .556*** | .687*** |
| | (4.2) | (5.9) | (7.5) | (8.8) | (10.2) |
| Constant | .413*** | .0134 | -.505*** | -1.16*** | -1.66*** |
| | (3.4) | (0.1) | (-4.1) | (-9.5) | (-12.8) |
| Prior dummies | Yes | Yes | Yes | Yes | Yes |
| Observations | 744 | 744 | 744 | 744 | 744 |
| Adjusted $R^2$ | 0.20 | 0.25 | 0.26 | 0.30 | 0.35 |

$t$ statistics in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 5: Informed Protection: Response to Reported Beliefs

| | (1) | (2) | (3) | (4) |
|---|---|---|---|---|
| Informed protection | | | | |
| Belief | 2.18*** | 2.62*** | 2.56*** | 2.74*** |
| | (18.5) | (18.2) | (13.2) | (11.6) |
| Belief error | | 1.52*** | 1.47*** | 1.61*** |
| | | (11.5) | (8.8) | (7.1) |
| Good quiz | | | .108 | |
| | | | (1.0) | |
| Good quiz × Belief | | | .14 | |
| | | | (0.5) | |
| Good quiz × Belief error | | | .11 | |
| | | | (0.4) | |
| Stat. class | | | | .127 |
| | | | | (1.1) |
| Stat. class × Belief | | | | -.189 |
| | | | | (-0.6) |
| Stat. class × Belief error | | | | -.135 |
| | | | | (-0.5) |
| Constant | -.762*** | -.881*** | -.932*** | -.963*** |
| | (-14.3) | (-15.7) | (-11.5) | (-10.0) |
| Observations | 1487 | 1487 | 1487 | 1487 |
| *AIC* | 1566.82 | 1413.23 | 1414.64 | 1418.02 |

$t$ statistics in parentheses

$^{*}$ $p < 0.10$, $^{**}$ $p < 0.05$, $^{***}$ $p < 0.01$

Table 6: Expected costs discrepancy

| | (1) | (2) | (3) | (4) | (5) | (6) |
|---|---|---|---|---|---|---|
| FP costs | .0438 | .0142 | .0512 | .0505 | .0318 | -.0582 |
| | (0.4) | (0.1) | (0.4) | (0.3) | (0.2) | (-0.4) |
| FN costs | -.0137 | .0227 | -.132 | -.13 | .163** | .287** |
| | (-0.2) | (0.3) | (-1.4) | (-1.1) | (2.0) | (2.5) |
| Risk-averse | | | -.284 | .0641 | | |
| | | | (-1.4) | (0.3) | | |
| Risk-averse × FP costs | | | -.0282 | -.0629 | | |
| | | | (-0.1) | (-0.3) | | |
| Risk-averse × FN costs | | | .22* | .269* | | |
| | | | (1.9) | (1.7) | | |
| Accur. beliefs | | | | | .613*** | .0902 |
| | | | | | (3.2) | (0.4) |
| Accur. beliefs × FP costs | | | | | .0566 | .185 |
| | | | | | (0.3) | (1.0) |
| Accur. beliefs × FN costs | | | | | -.354*** | -.522*** |
| | | | | | (-3.0) | (-3.5) |
| Constant | -.857*** | -.706*** | -.684*** | -.754*** | -1.17*** | -.758*** |
| | (-8.9) | (-6.4) | (-5.4) | (-4.7) | (-7.7) | (-5.1) |
| Prior prob dummies | No | Yes | No | Yes | No | Yes |
| Observations | 743 | 743 | 689 | 689 | 743 | 743 |
| Adjusted $R^2$ | -0.00 | -0.00 | -0.00 | -0.00 | 0.02 | 0.04 |

$t$ statistics in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table 7: Expected costs discrepancy (without 10% outliers)

| | (1) | (2) | (3) | (4) | (5) | (6) |
|---|---|---|---|---|---|---|
| FP costs | -.229*** | -.208*** | -.145** | -.122* | -.27*** | -.113* |
| | (-4.2) | (-4.0) | (-2.1) | (-1.9) | (-3.2) | (-1.7) |
| FN costs | -.12*** | -.13*** | -.138*** | -.154*** | -.0714* | -.145*** |
| | (-4.2) | (-4.1) | (-3.5) | (-3.8) | (-1.7) | (-3.8) |
| Risk-averse | | | -.135* | -.0101 | | -.122* |
| | | | (-1.9) | (-0.1) | | (-1.7) |
| Risk-averse × FP costs | | | -.116 | -.103 | | -.101 |
| | | | (-1.0) | (-1.0) | | (-0.9) |
| Risk-averse × FN costs | | | .0319 | .0286 | | .0157 |
| | | | (0.5) | (0.4) | | (0.3) |
| Accur. beliefs | | | | | .182*** | .214*** |
| | | | | | (2.7) | (3.1) |
| Accur. beliefs × FP costs | | | | | .102 | |
| | | | | | (1.0) | |
| Accur. beliefs × FN costs | | | | | -.0933 | |
| | | | | | (-1.6) | |
| Constant | -.185*** | -.0718 | -.133*** | -.0814 | -.283*** | -.137* |
| | (-5.6) | (-1.6) | (-3.5) | (-1.4) | (-5.0) | (-1.9) |
| Prior prob dummies | No | Yes | No | Yes | No | Yes |
| Observations | 658 | 658 | 614 | 614 | 658 | 614 |
| Adjusted $R^2$ | 0.05 | 0.07 | 0.06 | 0.09 | 0.06 | 0.11 |

$t$ statistics in parentheses

$^{*}$ $p < 0.10$, $^{**}$ $p < 0.05$, $^{***}$ $p < 0.01$

## B Figures

Figure 1: Following beliefs vs following posterior probabilities in IP

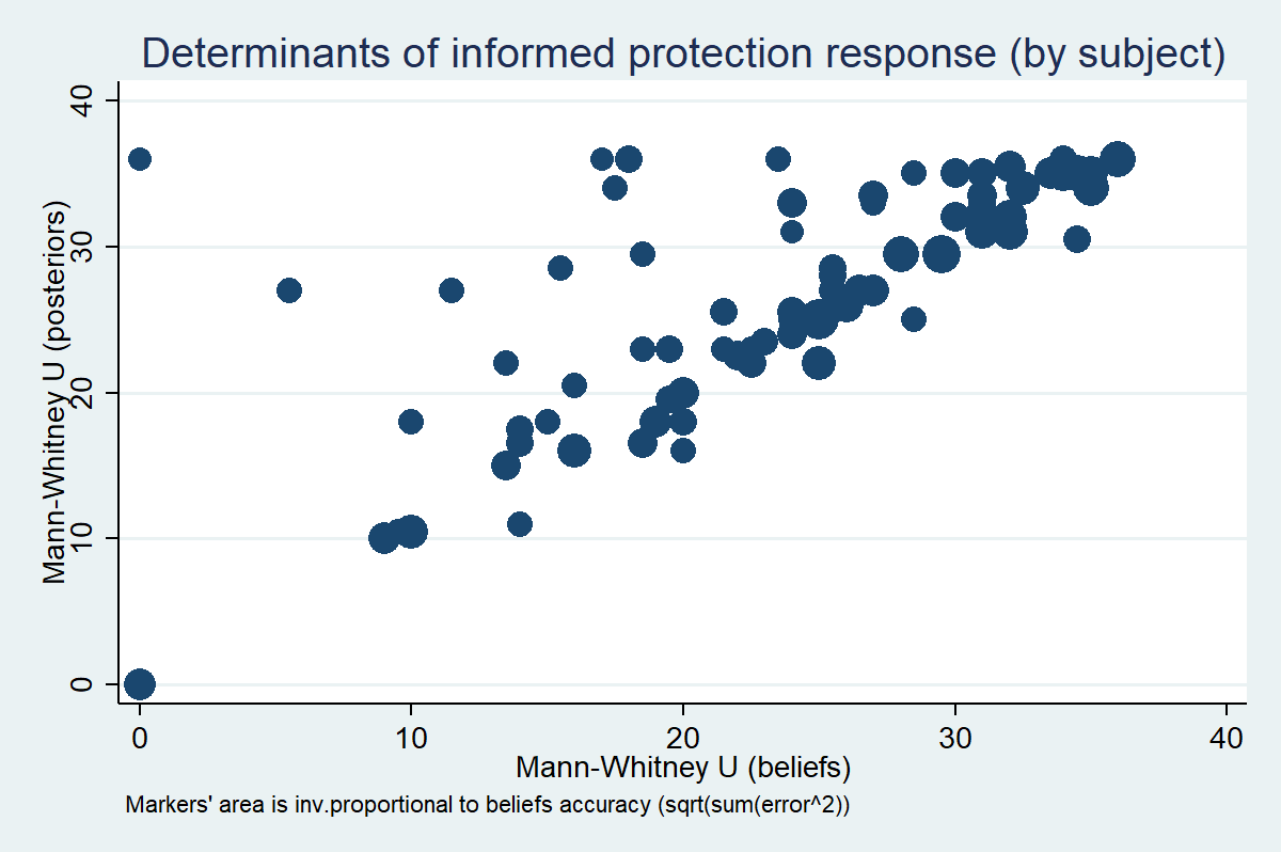

Figure 2: Belief accuracy vs following beliefs in IP