Financial decisions and the ostrich effect. (Michaela Pagel)

1. Ostrich effect implies news utility over either the signal or the actual realization of the portfolio. Our paper shows that OFC handles the news utility of both the signal and the actual realization.
2. Survey of Consumer Finances (SCF): look at non-participation. Problem is, I don’t get to see measures of information preferences with the survey.
3. Best approach: Collect a population of individuals who self-report owning a portfolio. Ideally, we can partner with a firm to do this (“We can help you figure out who is more susceptible to ignoring their portfolios.”). We (1) collect survey information about information preferences, and (2) collect fMRI data with our paradigm to estimate information preferences (i.e. sensitivity to news utility). We can use these to predict who is more likely to avoid checking their portfolio if the market is bearish and compare our predictions with log-in information (“participaton”) from firm.

Health decisions. (Nachum Sicherman and George Lowenstein)

1. Again, collect survey and fMRI data to estimate sensitivity to news utility. Use this to predict which subset of your population is more at risk of not getting yearly physicals. Check if this is true with self-reports. Is there a way to alter pessimistic views about the outcomes of physicals that may improve rate of routine physical exams?