student center, do they find out if they have really, truly won a ticket to the coveted game.

As Ziv Carmon (a professor at INSEAD) and I listened to the air horn during the campout at Duke in the spring of 1994, we were intrigued by the real-life experiment going on before our eyes. All the students who were camping out wanted passionately to go to the basketball game. They had all camped out for a long time for the privilege. But when the lottery was over, some of them would become ticket owners, while others would not.

The question was this: would the students who had won tickets—who had ownership of tickets—value those tickets more than the students who had not won them even though they all "worked" equally hard to obtain them? On the basis of Jack Knetsch, Dick Thaler, and Daniel Kahneman's research on the "endowment effect," we predicted that when we own something—whether it's a car or a violin, a cat or a basketball ticket—we begin to value it more than other people do.

Think about this for a minute. Why does the seller of a house usually value that property more than the potential buyer? Why does the seller of an automobile envision a higher price than the buyer? In many transactions why does the owner believe that his possession is worth more money than the potential owner is willing to pay? There's an old saying, "One man's ceiling is another man's floor." Well, when you're the owner, you're at the ceiling; and when you're the buyer, you're at the floor.

To be sure, that is not always the case. I have a friend who contributed a full box of record albums to a garage sale, for