Causal Narratives

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We study the generation, transmission, and effects of causal narratives - narratives which describe a (potentially incorrect) causal relationship between variables. In a controlled experiment, we show that exogenously generated causal narratives manipulate the beliefs and actions of subjects in ways predicted by theory. We then show how to ‘grow’ these types of narratives organically by asking subjects who observe a dataset of variables to advise future subjects on what actions to take. Subjects have a strict preference to share their homegrown narratives with other subjects, who are then persuaded by them. Finally, we show that factual, statistical information does not eliminate the power of causal narratives.