

Stated Preferences (SP) vs. Revealed Preferences (RP)

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- Data on choices that are **hypothetically** made

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- Example: “which of these three trucks would you purchase?”
- Response based on what one *would* choose, not actual choice
- SP tightly related to counterfactuals we consider

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- $\overset{?}{\implies}$  Price unimportant to consumers
- Price is so important that it created equilibrium

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- Counterfactuals require care

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- Useful for unseen settings
- Separate preferences from system
- Multiple counterfactuals per individual

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- May require mastery of survey methodology

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- **Thousands** of papers have used the NLSY surveys
- Administrative data for tax collection and research
- Widely available and comparable across time/contexts

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- Requires survey methodology knowledge
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- More work up front, but much simpler analysis