JEFFREY YANG

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HARVARD UNIVERSITY

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Placement Director: Gabriel Chodorow-Reich chodorowreich@fas.harvard.edu 617-496-3226
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Education

Harvard University
Ph.D. in Business Economics, 2019 to 2025 (expected)
M.A. in Economics, 2023

University of Pennsylvania
B.A. in Mathematical Economics, *summa cum laude,* 2019
B.S.E. in Statistics, *summa cum laude,* 2019

Fields

Behavioral Economics
Experimental Economics
Microeconomic Theory

References

Professor Benjamin Enke
Harvard University
enke@fas.harvard.edu

Professor Tomasz Strzalecki
Harvard University
tomasz_strzalecki@harvard.edu

Professor Joshua Schwartzstein
Harvard Business School
jschwartzstein@hbs.edu

Professor Matthew Rabin
Harvard University
matthewrabin@fas.harvard.edu

Teaching

Decision Theory (TF for Prof. Tomasz Strzalecki), Harvard, 2023
Experimental Economics (TF for Prof. Benjamin Enke), Harvard, 2022
Modern Data Mining, (TF for Prof. Linda Zhao), University of Pennsylvania, 2018

Employment

Investment Banking Summer Analyst, Citigroup, 2018

Research

Research Assistant for Prof. Tomasz Strzalecki, Harvard, 2021
Research Assistant for Prof. Alex Rees-Jones, University of Pennsylvania, 2017-2018

Job Market Paper

"Tradeoffs and Comparison Complexity" (with Cassidy Shubatt)

This paper develops a theory of how tradeoffs govern comparison complexity, and how this complexity generates systematic mistakes in choice. In our model, options are easier to compare when they involve less pronounced tradeoffs, in particular when they are 1) more similar feature-by-feature and 2) closer to dominance. These two postulates yield tractable measures of comparison complexity in the domains of multiattribute, lottery, and intertemporal choice. We then show how behavioral regularities in choice and valuation, such as context effects, preference reversals, and apparent probability weighting and hyperbolic discounting in valuations, can be understood as responses to comparison complexity. We test our model experimentally by varying the strength and nature of tradeoffs. First, we show that our complexity measures predict choice errors, choice inconsistency, and cognitive uncertainty in binary choice data across all three domains. Second, we document that manipulations of comparison complexity can reverse classic behavioral regularities, in line with the predictions of the theory.

Working Papers

"On the Decision-Relevance of Subjective Beliefs"

While a large literature documents that subjective expectations predict many economic decisions, the quantitative magnitude of these relationships is often attenuated relative to theoretical predictions. This paper assesses one explanation for these findings: that individuals may be uncertain over how to incorporate beliefs about a quantity into their decision-making. I develop a theoretical framework demonstrating how uncertainty over the belief-action map attenuates the relationship between beliefs and actions, weakens behavioral responses to information, and reduces incentives to learn about the quantity. I experimentally test these predictions by eliciting subjects' uncertainty over the belief-action map and manipulating this uncertainty. I find support for all three predictions: uncertainty over the belief-action map attenuates the relationship between return expectations and portfolio allocations, weakens the behavioral response to information about returns, and reduces demand for this information. I further show that reducing this uncertainty using an easy-to-deploy intervention increases subjects' responsiveness to their beliefs.

"Behavioral Attenuation" (with Benjamin Enke, Thomas Graeber, Ryan Oprea)

We report a large-scale examination of behavioral attenuation: due to information processing constraints, the elasticity of people's decisions with respect to economic fundamentals is generally too small. We implement more than 30 experiments, 20 of which were crowd-sourced from leading experts. These experiments cover a broad range of economic decisions, from choice and valuation to belief formation to strategic games to generic optimization problems, involving investment, savings, effort supply, product demand, taxes, environmental externalities, fairness, cooperation, beauty contests, information disclosure, search, policy evaluation, memory, forecasting and inference. In almost all experiments, the elasticity of decisions to fundamentals decreases in participants' cognitive uncertainty, our measure of the severity of information-processing constraints. Moreover, in decision problems with objective solutions, the observed elasticities are universally smaller than is optimal. Many widely-studied decision anomalies represent special cases of behavioral attenuation. We discuss both its limits and why it often gives rise to classic phenomena of diminishing sensitivity.

"A Criterion of Model Decisiveness"

When faced with decision-relevant information, decision-makers are often exposed to a multiplicity of different models, or accounts of how information should be interpreted. This paper proposes a theory of model selection – an account of what models decision-makers find compelling, and ultimately adopt – based on the insight that individuals seek *decisive* models that provide clear guidance regarding the best course of action. The decisiveness criterion is characterized by a demand for extreme models, which generates inferential biases such as overprecision and confirmation bias. The dependence of the decisiveness criterion on the decision-maker's objectives can produce documented patterns of preference reversals, rationalize seemingly contradictory patterns of inferential attribution errors, and generate novel predictions as to how belief polarization can arise along heterogeneity in decision-makers' objectives. I discuss applications of the theory to financial decision-making, the provision of expert advice, and social learning through the exchange of models.

Seminars & Conferences

Presentation, SITE Psychology and Economics, August 2024
Presentation, Early-Career Behavioral Economics Conference, July 2024
Poster presentation, Workshop on Subjective Expectations, June 2023

Academic Service

Referee, *The Quarterly Journal of Economics*

Research Grants Mind Brain Behavior Graduate Student Award, Harvard, 2022
Kanta Marwah Prize for Undergraduate Research, University of Pennsylvania, 2018

Software skills R, Python, MATLAB, Stata