In class, we learned about social preferences.

We say that a person has social preferences if the outcomes/beliefs of others affect their utility. We learned about different aspects such as altruism, inequality aversion, and reciprocity.

When researchers examine people’s social preferences, they typically use experiments in a laboratory setting. You may remember in class we did a MobLab exercise where we played the dictator game – we were randomly paired up, and one person decided how to split a given amount of points. And of course there are other different social preference games.

Below here are some examples of papers that use different games when examining people’s preferences.

However, an important question is the extent to which the experimental games approach can be generalized to real world situations. In practical scenarios, human behavior may be sensitive to a variety of factors not present in a lab setting. For example, Benz and Meier find that subjects who have never donated in the past gave 60% of their endowment in the lab experiment, suggesting that scrutiny and anonymity can sway behavior. Ross and Ward find that slightly changing the context can result in significant changes in behavior. And this last paper finds that different levels of stakes lead to significantly different results.

This has led to a surge in literature that examines people’s behavior in both lab setting and field situation, and comparing the two. Baran et al compare MBA alumni donations to their university with reciprocity behavior when playing trust games, and find that in-lab behavior is related to field behavior. On the other hand, Hill and Gurven use Paragay Indians and compare their behavior when playing ultimatum games with food-production and sharing patterns. They find no significant relationship. Along with other papers, the currently accumulated evidence is ambiguous, indicating that further research is needed.

However, Galizzi and Navarro-Martinez argue that these studies only look at one social preference game with one specific field measure, and that it is crucial to conduct more systematic research. For their design, they have participants answer a set of questions about social behaviors exhibited in the past, play a variety of social preference games in a laboratory, and also encounter naturalistic situations in the field. Examples of field situations include asking for help carrying boxes, or asking for donations to a children’s charity. Their overarching conclusion is that the games do a poor job explaining both the self-report measures and the field behaviors, although more systemic studies are needed to draw a definite conclusion.

For my design, I will be their paper as a guideline. I will use Wesleyan University seniors and recent alumni as my subjects, and they will complete two sets of tasks. First, they will answer self-reported survey questions, based loosely from a paper in 1981. They will also play a variety of experimental games – dictator game, ultimatum game, trust game, and public goods game.

For my field measure, I will be using Wesleyan donations data. I want to use this because donations can be related to behavioral constructs. For example, donating may represent altruism and reciprocity, and targeting donations towards Financial Aid can represent inequality aversion. Another reason I want to use donations data is because it is a far-removed situation. In Galizzi and Navarro-Martinez’ design, I feel like it doesn’t take much for participants to connect the field measure to the lab, so I want to make sure to use a naturalistic, far-removed field measure.

Next I just have some images of what each participant will see when they answer the survey questions and play the games. Here are the first few questions in the survey

, where for each question you indicate whether you’ve done the activity Never, Once, More than Once, Often, or Very Often.

And here are two of the games I will use. The top is just the standard dictator game, and the bottom is the ultimatum game for the responder – I used the strategy method where the responder has to indicate their choice for each possible amount.

So for the analysis, I will be running these two equations.

The first equation just has the pass rates of the players in each game, or the return ratio in the case for the responder in the ultimatum game.

The second equation, SRA is the score from the self-report altruism survey questions.

We would expect that higher pass rates, return ratios, and survey score leads to higher donations.

But what I’m really interested in is if experimental games or the non-incentivized questions can better predict the field measure. So I want to look at each model’s prediction errors and determine which is the better model.

So what’s the importance of this research? First, it will add to the growing literature and debate – are experimental games a useful tool to examine social preferences?

And also, from a research perspective, using experimental games is costly. You have to pay for subjects to show up, and some sort of payment scheme for the games, and this can get costly as more subjects show up. Also, programming the games takes up a lot of time.

Lastly, perhaps this research can spark interest into future studies into the external validity of other behavioral economics topics where lab experiments are commonly used, like risk preferences or something.