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The Los Angeles Behavioral Economics Laboratory (**LABEL**) is a research center dedicated to experimental research on economic decision-making and strategic interactions, led by Dr. Isabelle Brocas and Dr. Juan Carrillo. At **LABEL**, we focus on the collection of "non choice" data such as reaction times, skin conductance, neural activity, and eye movements to better understand the mechanisms underlying decision-making. We are also particularly interested in the study of age-related changes in decision-making. For more information on **LABEL**, please visit our **website**.



Call for Papers: Decision-making by children

Journal of Economic Behavior & Organization (JEBO) will publish a special issue which aims to gather frontier research related to developmental aspects of decision-making.

Guest editors: Isabelle Brocas and Juan Carrillo, USC

Submission deadline: February 1st, 2018

For more information, contact Prof. Juan Carrillo

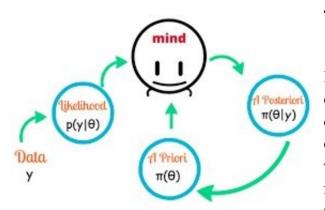
Call for papers

Ignorance is bliss

Are we intrinsically generous or merely complying to norms and others' expectations? This question has received considerable attention in recent literature. Studies reveal that pro-social behavior in adults reflects complex emotions rooted in our sense of morality, guilt, and self-image. However, it is unknown how these emotions develop and shape our behavior as we grow. A recent LABEL article reports findings from a dictator experiment with children and adults. In the



study, dictators had to choose between several allocations for selves and others, but they could also decide to remain strategically ignorant about specific contents of these allocations. Though strategic ignorance was infrequent, we observed interesting differences across age groups. Overall, strategic ignorance was associated with selfish behavior in adults and generous choices in young children. That is, adults tended to avoid learning about the consequences of their actions as a commitment device to maximize their own allocations, while children tended to avoid learning the consequences of their choices on their own allocations as a commitment device to maximize others' allocations. This different pattern of information avoidance across ages reflects different levels of sophistication in terms of behavior manipulation.



The development of Bayesian learning

In a recent study at LABEL, we conducted an experiment in which children and teenagers had to infer the composition of an urn from which balls where drawn with replacement. We found significant aggregate departures from optimal Bayesian behavior across

all ages. However, our study revealed an important developmental trajectory. The youngest children (K to 2nd grade) were likely to base their decisions on the last information revealed to them and to use evolutionary heuristics (such as Win-Stay Lose-Switch strategies). Older children and teenagers were gradually able to condition their decisions on all their previous observations but they often fell prey of the gambler's fallacy. Only the oldest participants displayed optimal Bayesian reasoning. Also,

bayesian reasoning was evidenced earlier when inferences were simpler. These results indicate that even though making Bayesian inferences remains a difficult exercise at all ages, the ability to interpret past information to form beliefs is gradually improved through development.

To read more about our research, click **here**.

Future events

March 19, 2018 – The IEPR distinguished lecture series will host Alvin Roth (Stanford University)

For more information about upcoming events, please visit our website.

LABEL Internship

The Los Angeles Behavioral Economics is currently accepting applications for the LABEL Internship program for the spring period. More information can be found **here**.

Participate in our studies



If you are a **student or an employe** from the University of Southern California, you can register **here**.

If you are a **parent living in Los Angeles** and would like your child to participate in our studies, you can register **here**.

If you are **living in Los Angeles and are 50 and older** and would like to participate in our studies on decisionmaking in aging, you can register **here**.

All others, please contact us at label@dornsife.usc.edu





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