

USC Dornsife

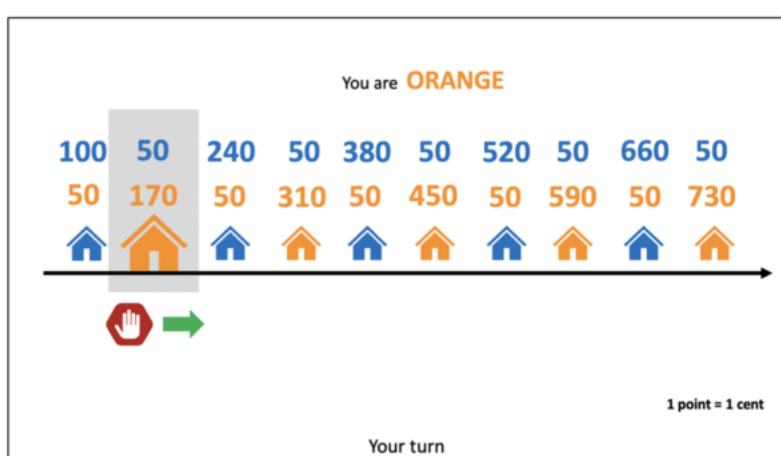


The Los Angeles Behavioral Economics Laboratory (**LABEL**) is a research center led by Dr. Isabelle Brocas and Dr. Juan Carrillo, dedicated to the study of decision-making and its implications on life outcomes and markets. For more information on **LABEL**, please visit our **website**.

New Research

The centipede game at school: does developing backward induction logic drive behavior?

Adults do not play at equilibrium in the well-known centipede game, a behavior often attributed to failure of backward induction. We asked children and adolescents (ages 8 to 16) to play the centipede game in the laboratory and we leveraged knowledge about developing abilities to assess the contribution of backward induction logic. We found that the ability to perform backward induction increases with age. However, it predicts behavior in the centipede game only in elementary school children. Starting in middle school, students who reason logically know that the unraveling argument should not be applied blindly. They utilize Theory-of-Mind (ToM) abilities to form beliefs about others' play and (optimally) refrain from stopping immediately. The results indicate that ToM is the key contributor of behavior that helps departing from backward induction when beneficial.



Brocas I. and J. Carrillo, 2022, “**The centipede game at school: does developing backward induction logic drive behavior?**”

New report



The effects of depression on behavior and decision-making

Depression is a debilitating condition that affects approximately 17 million American adults and about 2 million children and teens. It often co-occurs with other illnesses and conditions and causes over two thirds of suicides each year. We explore the mechanisms that underlie depression and how they affect emotions and behavior. Depression critically affects people's preferences and reasoning abilities, resulting in poor choices and poor life outcomes.

Brocas I., “**Understanding depression and its effects on decision-making**”, LABEL report September 2022.

For a full list of our reports, check [here](#).

Recent publications

- Brocas I. and J. Carrillo, “**Adverse Selection and Contingent Reasoning in Preadolescents and Teenagers**”, Games and Economic Behavior, 133, 331-351, 2022
- Brocas I. and J. Carrillo, “**The development of randomization and deceptive behavior in mixed strategy games**”, Quantitative Economics, 13, 825-862, 2022.

For more information about our research, please check [here](#).

Our team



Daniel Hermosillo



Juan Gonzalez

We are welcoming Daniel and Juan as our new Project Specialists! Daniel is a graduate of Occidental College, where he studied Mathematics and Economics. Juan is a graduate of Loyola University and a graduate student at Paris School of Economics.

We are also welcoming the new students who are joining the lab in-person this fall: Shiyu Li, Yixuan Li, Erica Schug, Karthik Srinivasan and Ziwei Yu. They will be researching the neural and biological correlates of altruism and social valuation.



...and the incoming cohort of the remote **LABEL Training Program**. Students will participate in a variety of research projects that will be featured in our next newsletters.

Announcements

Education at USC

LABEL disseminates knowledge regarding decision-making and the methods to study it. We sponsor **several courses and programs** for undergraduate, master and PhD students at USC, all designed for students who wish to explore careers in the Behavioral Sciences as consultants, researchers or policy makers.

NEW! The department of economics at USC is launching a new BA in **Behavioral Economics and Psychology**

Training the next generation of students

The **Little Experimentalists Program** organizes events in schools to teach students how to think strategically and to inform parents and teachers about the development of cognition and decision-making.

The **LABEL Training Program** offers students (10th grade and up) the opportunity to participate in research activities in our group. Read about our trainees' experiences [here](#). Our lab is currently accepting **applications** for Spring 2023 (deadline is December 1st).

Participate in our studies



If you are a **student or an employee** from USC, register [here](#).

If you are a **parent living in Los Angeles** and would like your child to participate in our studies, register [here](#).

If you are **living in Los Angeles and are 18 and older** and would like to participate in our studies on decision-making over the life cycle, register [here](#).

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



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