Zachary Grossman
Economics Department, UC Santa Barbara
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I am a microeconomist who mainly studies the impact of social and psychological motivations, as well as cognitive phenomena, on economic decisions. My approach is behavioral, reflecting an openness to how insights from psychology can help us understand economic behavior and I use both experimental and theoretical methods, often complementarily.

My research can be organized into three broad themes. First, I examine how psychological and environmental factors might reinforce or undermine unselfish behavior in decisions that affect social outcomes, focusing mainly on the role of information in these decisions. In this area I have made definitive contributions to our understanding of giving behavior and the use of signaling models to identify the social-psychological motives that affect it, in particular by establishing a definitive link between two ideas long suspected to be connected, self-signaling and strategic ignorance. Second, I study behavior and incentives in organizations, focusing on factors that might reinforce or undermine a principal’s willingness to delegate to an agent or the ability of a team to collaborate effectively. My contributions in this area highlight the importance of these factors and the hazards of ignoring their role in the principal-agent relationship. Third, I study the problem of assembling complementary goods, particularly land, and the use of direct mechanisms to allocate these goods.

Unselfish Behavior and Information


These papers address two longstanding issues that have been notoriously difficult to study. The first is whether and how self-image concern has an impact on giving behavior. The second is how can we explain and understand the impact of strategic ignorance, the phenomenon by which people willfully avoid learning about the consequences of their choices, in social decisions. These two areas have long been suspected to be connected. Ever since researchers studying giving began focusing on the phenomenon over ten years ago, they have believed strategic ignorance in social decisions to be driven by self-image concern (see, for example, Dana, Weber, & Kuang (2007) or Benabou & Tirole, (2006)), but have lacked definitive evidence.

The same period saw increasing enthusiasm for the use of signaling models to understand image-motivated behavior. While experimental tests produced plenty of evidence of social-image concern (Andreoni & Bernheim, 2009), comparably clean and direct tests of self-signaling proved elusive. First, the behavioral evidence that points to self-signaling comes from complicated environments with multiple stages of decision-making and it is hard to generate predictions for such environments. Second, while it is rather simple to manipulate a key parameter in a signaling environment with an external audience, such as the quality of the observer’s signal, one cannot do the same manipulation when the audience is a dual-self of the
decision-maker. For many years, the only self-signaling tests relied on indirect or unverifiable manipulations of parameters, such as attempts to increase the salience of self-image. While they provided some suggestive evidence, without the discipline of a formal model it proved tricky to provide compelling evidence.

“Self-Image and Strategic Ignorance in Social Decisions” resolves both of these issues definitively. In this paper we apply a self-signaling model to an environment in which a decision-maker decides whether or not to undertake a costly action that may or may not bring about a social benefit, and has a chance to acquire a signal that resolves that uncertainty. We prove that an ignorance equilibrium can exist in this model and provide an intuitive explanation for why this is possible. Avoidance obfuscates the choice the agent would have made in such an environment and reduces the need for signaling investments. Although the choice to avoid information reduces self-image compared to a common prior, the stigma attached to knowingly engaging in harmful actions is worse, since this involves pooling only with completely selfish types.

Beyond establishing that willful ignorance can serve as an excuse for selfish behavior, we also derive several behavioral predictions and that are inconsistent with outcome-based preferences and social-image concern and test them in experiments. The experiments implement the minimal information-acquisition setting from the model, first introduced by Dana, Weber, and Kuang (2007). Our findings offer support for the model’s predictions and thus, direct support for the broader theory of self-signaling and the usefulness of signaling models to understand behavior motivated by self-image.

Prior to establishing the link between self-signaling and strategic ignorance, I studied the two phenomena separately. “Self-Signaling and Social-Signaling in Giving,” reports my first approach to testing for self-signaling in giving and the first direct test of a Bayesian self-signaling model. Inspired to find testable predictions by the speculation about self-signaling that followed Dana, Weber, and Kuang’s findings, I started by applying a preference-signaling model to a simpler decision environment: a probabilistic dictator game in which there is some probability that the dictator’s choice will not count. I derived qualitative predictions about the response of an image-motivated dictator to a change in this probability and how it depends crucially on the information available to the relevant observer. What allowed me to identify self-signaling was the observation while one can manipulate the observability of the dictator’s choice to an external audience in an experiment, the dictator always has full information about her own choice.

In an experimental version of this probabilistic dictator game, I varied the choice probability and the information environment. In one of the environments, the giving rate of social signalers is predicted to not respond at all to the probability change, while self-signalers would respond positively. The results provide stronger evidence of social-signaling, which suggests that signaling models can indeed be useful for studying giving behavior. However, while the self-signaling test is clean, the results provided little evidence of self-signaling. The combined evidence from these two papers shows that while direct identification of the impact of self-image on giving is difficult, it can be achieved through the study of information acquisition choices.

“Strategic Ignorance and the Robustness of Social Preferences” reports an experiment on information acquisition in social decisions. The decision environment introduced by Dana, Weber, and Kuang is a binary allocation decision with a decision-maker who is uncertain
about whether incurring a small monetary cost will help or hurt the anonymous recipient, but can costlessly acquire this information. My experiment relies on the same simple decision environment because it captures the essence of a decision-maker’s information acquisition problem in social decisions. While the results do show that the exploitation of the moral wiggle room created by willful ignorance observed by Dana, Weber, and Kuang is replicable and not merely an artifact, they more importantly show that the level of ignorance it is also tremendously sensitive to the default information state and does not persist at a high level when the decision-maker must actively choose to be uninformed. So much like social behavior itself, the exploitation of moral wiggle room is itself subject to environmental and psychological factors that may reinforce or undermine its impact.

This robustness result has received considerable attention, but a close reading of the paper reveals another subtle, but important point: the large default effects in the information acquisition choice are not merely the results of a traditional framing effect or status quo bias. Rather, they reflect strategic decision-making, making the behavior potentially consistent with self-signaling. This suggestion of self-signaling in a complex decision environment calls for the application of more formal modeling tools-- either to help find a way to construct a self-signaling test in a simpler environment or to gain a better understanding of the implications of self-signaling in the richer environment with information acquisition, towards the goal of constructing empirical tests. A casual reading of this paper by readers interested in the robustness results may overlook this crucial point and lead them to miscategorize this paper as merely a replication study, albeit an important one.

These papers is to show the possibility and importance of applying formal models to understand self-image concern and to provide the most compelling, model-driven empirical tests to date of self-signaling’s impact on giving. They also make sense of the puzzling phenomenon of strategic ignorance in social decisions, first proving the existence of ignorance equilibrium and resolving the paradox of how ignorance can succeed as an exonerating strategy for people who choose selfishly, and then by showing that self-signaling is a good, not just possible explanation for this behavior because it accounts for a broad menu of behavioral phenomena and generates predictions that are borne out in further experiments. Taken as a whole, this research has significantly advanced our understanding of the interaction between giving and information acquisition. They bring together two ideas, self-signaling and strategic ignorance, that have been long suspected to be connected, and definitively establish the connection.

I have also examined giving in other contexts. “Shifting the Blame to a Powerless Intermediary,” co-authored with Regine Oexl, was published in 2013 in Experimental Economics. While the previously described papers focused on how people strategically manipulate their information in order to mitigate the negative judgment associated with selfish behavior, the focus of this paper is on the use of an intermediary to mitigate that judgment. We show that by delegating the allocation decision, a dictator can effectively shift moral responsibility onto the intermediary even when doing so necessarily eliminates the possibility of a fair outcome. This illustrates how blame-shifting in organizations is a prevalent and successful strategy in surprisingly transparent situations.

On one hand this does not seem consistent with the kind of Bayesian inference assumed in the signaling models used in my other papers. On the other hand, much like “Strategic Ignorance and the Robustness of Social Preferences,” it also highlights a limitation on the use of
judgment-avoidance strategies. First, blame-shifting fails if the intermediary’s choice is restricted to the use of a randomization device. Second, because blame may be shifted onto the intermediary, in order to make a contract individually rational for an agent with rational expectations, a dictator would have to compensate her agent for much of the punishment she herself would have incurred anyway.\(^1\)

The final paper in this category is “Testing for Dual-Process Reasoning in Charitable Giving,” which is co-authored with Joel van der Weele and currently under review at the *Journal of Economic Psychology*. Dual-process theories posit that decision-making is driven by the interaction of two systems: a slow, deliberative cognitive system and a fast, intuitive affective system. This paper seeks to better understand the cognition behind giving behavior and explain why previous studies of dual-process reasoning in giving have yielded mixed results.

The experiment reported in the paper featured two innovations. First, based on the observation that cognitive manipulations can only be expected to have an impact on behavior when there is a conflict between the two systems, we interacted a standard cognitive manipulation with a manipulation of the affective system. Varying the desired outcome of the affective system would allow us to vary the degree of conflict between the two systems, so a differential response to the affective manipulation across different levels of cognitive load would constitute evidence of dual-process reasoning.

While the dual-process model is a widely used model of how our brain makes decisions, it is far from universally accepted. In particular, the experimental methods used to manipulate cognitive load have come under heavy criticism. A second innovation of our experiment was to include multiple manipulation checks, where frequently there are none, to assess the extent to which each manipulation accomplished its goals.

Our results highlight the importance of these manipulations checks. Though we find no aggregate effects in giving, our checks indicate that women respond to the manipulations by and large in the intended and expected manner, but not men. This shows that even standard manipulations, such as digit memorization, may fail to produce the intended effects or may produce them only for some subgroups of the population, so we must be careful drawing conclusions from tests of dual-process reasoning because the tests may be more valid for some subgroups than others. Our study leaves us with little support for the usefulness of dual-process models for understanding giving.

**Behavior in Organizations**

Decades of research has examined how projects *should* be allocated between managers and employees or between a principal and agent. However, the psychological factors and motivations that might affect the actual delegation process by undermining or reinforcing a principal’s willingness to delegate are much less explored. Similarly, while previous research has documented how communicating and working in teams can improve performance on challenging cognitive tasks, we have little understanding of how communication and teamwork can sometimes be counterproductive. My research in this area consists of experiments on the

\(^1\) This paper began as a project that Oexl developed under my supervision, when she was a visiting graduate student at UC Santa Barbara. Although our names appear out of alphabetical order, my contribution to the paper is certainly no less than one would expect had the order of the authors been alphabetical.
impact of psychological factors and communication on delegation and team performance in organizations.

Although it was already described in the previous section, “Shifting the Blame to a Powerless Intermediary” nicely fits into this second area as well. To the host of well-studied factors such as efficiency, risk sharing, and commitment that might make a principal delegate a task, the paper adds blame-shifting, an important, yet little studied social-psychological factor.

Two other papers present experiments that examine factors that, in contrast, might undermine a principal’s willingness to delegate. “An Unlucky Feeling: Overconfidence and Noisy Feedback,” (2012) is co-authored with David Owens and was published in the Journal of Economic Behavior and Organization. In this paper we ask, how does overconfidence arise and persist in the face of experience and feedback? We find that biased beliefs about absolute performance are not necessarily driven by biased updating. But while people use feedback to improve estimates of their own performance, this learning does not translate into improved estimates of subsequent performances. This suggests that people use performance feedback to update their beliefs about their ability differently than they do to update their beliefs about their performance, contributing to the persistence of overconfidence.

“The Control Premium: A Preference for Payoff Autonomy,” (2014) is co-authored with David Owens and Ryan Fackler and appeared in the American Economic Journal: Microeconomics. The premise of the paper is psychologists’ observation that many individuals desire control over events in their lives. In an experiment, we quantify the monetary cost that people are willing to incur in order to retain control over their own outcomes. This finding highlights another factor that undermines the willingness of a principal to delegate a task to an agent. However, while overconfidence is a mis-specified belief, the desire for control is merely an objective that a manager might trade off against the interests of the organization. So while it may detract from the organization it is by no means a mistake. This paper is also situated as an early contributor to a growing literature on the intrinsic value of decision rights.2

Finally, “Silence is Golden: Communication Costs and Team Problem Solving,” (2015) is a working paper co-authored with Gary Charness and David Cooper that is under review at Games and Economic Behavior. It examines behavior and incentives in organizations, asking whether having a team is always worth the costs and whether increased communication is necessarily a good thing. We report the results of an experiment comparing the performance of individuals versus teams at solving a series of challenging logic puzzles. Contrary to the existing literature, individuals outperform teams, but adding a communication cost reduces the frequency of communication and actually improves team performance up to the level of individuals. The result that communications costs can help team performance is an entirely novel and unprecedented result, though it is consistent with the experiences of people who had their time wasted by excessive and inefficient communication among fellow committee or project members.

**Assembling Complementary Goods**

2 Owens and I agreed to trade-off first authorship on our two co-authored papers and the order of the authors in no way indicates a lesser role on my part.
Lastly, I study the problem of assembling complementary goods, particularly the application of direct mechanisms to the problem of land assembly. Land can be inefficiently allocated when attempts to assemble separately-owned pieces of land into large parcels are frustrated by holdout landowners. The existing land-assembly institution of eminent domain can be used neither to gauge efficiency nor to determine how to compensate displaced owners adequately. “A Second-Best Mechanism for Land Assembly,” (2015) co-authored with Perry Shapiro and Jonathan Pincus, is a working paper under review at the *Journal of Public Economic Theory*. It describes our mechanism-design approach to the assembly problem, formalizing it as a multilateral trade environment with perfectly complementary goods. We characterize the Strong Pareto (SP) mechanism as the least-inefficient direct mechanism that is incentive compatible, self-financing, protects the property-rights of participants, and does not assume that participants have useful information about the subjective valuations of others.


While I have not prioritized this area of research at the same level as the other two areas, many interesting and important theoretical and empirical questions remain that I am excited to address in the future. Which kinds of mechanism are the most practical to implement in the field and are the most robust to uncertainties about owners’ and developers’ private valuations and beliefs? Does any proposed mechanism offer a superior alternative to the status quo? How do people actually respond to the incentives provided by various proposed mechanisms? Given these responses, can we better design mechanisms to achieve social objectives? I look forward to rededicating my efforts to such questions once I have made sufficient progress publishing my work in the other two areas.