FRIDAY, NOV. 30
COLIN CAMERER
California Institute of Technology

"Loss Attitudes in the U.S. Population: Evidence from Dynamically Optimized Sequential Experimentation (DOSE)"

We introduce DOSE—Dynamically Optimized Sequential Experimentation—and use it to estimate individual-level loss aversion in a representative sample of the U.S. population (N = 2,000). DOSE elicitations are more accurate, more stable across time, and faster to administer than standard methods. We find that around 50% of the U.S. population is loss tolerant. This is counter to earlier findings, which mostly come from lab/student samples, that a strong majority of participants are loss averse. Loss attitudes are correlated with cognitive ability: loss aversion is more prevalent in people with high cognitive ability, and loss tolerance is more common in those with low cognitive ability. We also use DOSE to document facts about risk and time preferences, indicating a high potential for DOSE in future research.

SHORT BIO

Colin Camerer is a pioneer in behavioral economics and in neuroeconomics. He is interested in how psychological forces and their deeper neuroscientific foundations influence economic decisions involving individuals and markets. In his research, he uses experiments to better understand how individuals and markets function, neuroscience to gain insight into the neuroscientific drivers for decision making and behavior, and game theory. For example, he's exploring why price bubbles form, when they crash, and how people value immediate and future rewards and costs—especially those that create temptation. He wants to understand strategic situations such as when other people's choices affect an individual and how someone anticipates what others will do.

He is a member of the American Academy of Arts and Sciences (2003), a fellow of the Econometric Society (1993), and a fellow of the Society for the Advancement of Economic Theory (2011). He was president of the Society for Neuroeconomics (2005–2006) and president of the Economic Science Association (2001–2003). Since 2007, he has been a chair of the Russell Sage Foundation Behavioral Economics Roundtable. He has one patent accepted on "Active Learning Decision Engines." He is on editorial boards for numerous journals. In 2013, he was named a MacArthur Fellow.

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