

Does Economics Make you Selfish?

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Economics & Preferences

- Some evidence that econ students are more self-interested and conservative
 - (Marwell & Ames 1981; Carter & Irons 1991; Frank et al. 1993; Rubinstein 2006; O’Roark & Wood, 2011)
- Selection or causal effect of economics education?
- Potential mechanisms for a causal effect:
 - exposure to the *homo economicus* model;
 - moral wiggle room;
 - cognitive dissonance reduction.



This paper:

- Estimate the effect of semester-long Intermediate Microeconomics courses on
 - social preferences ('deviation from self-interest');
 - expectations about others' social preferences;
 - policy opinions.
- difference-in-differences strategy to tease out causal effects;
- test for differences based on course content
 - conventional vs. post-Walrasian curriculum

Main results:

- no discernible effect on self-interest or beliefs about others' self-interest;
- little to no effect also on policy views on economic and environmental regulation, and market efficiency;
- some evidence of increased support for restrictive immigration policies.

Sample:

- 4 Intermediate Microeconomics classes (w/ different curricula);
- 1 large Nutrition class (control group);
- n=202 (156 Econs); participation rate=68.5%.

Online survey:

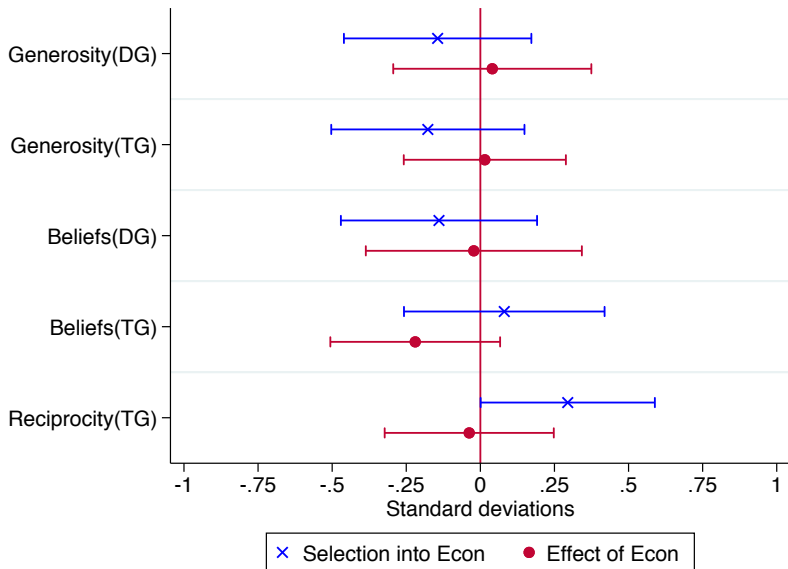
- administered pre- and post-treatment;
- incentivized games (TG and DG) to measure generosity and reciprocity ;
- incentivized tasks eliciting expectations about other people's generosity and reciprocity;
- questions eliciting policy views on economic and environmental regulations, trust in government, market efficiency, immigration.

Baseline specification:

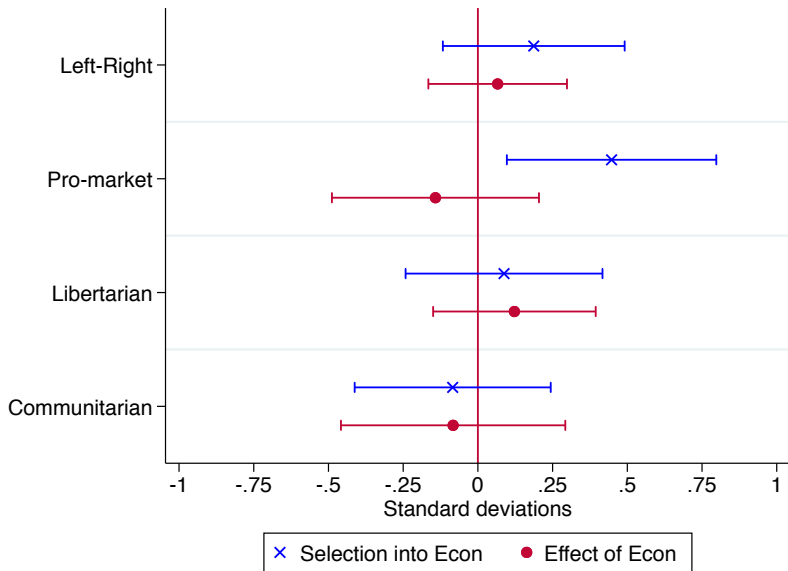
$$y_{it} = \alpha_i + \gamma Post_t + \beta Econ_i * Post_t + u_{it}$$

- α_i = individual fixed-effects;
- $Post$ = dummy indexing the survey round;
- $Econ$ = dummy for taking Intermediate Microeconomics;
- β = effect of Intermediate Microeconomics.

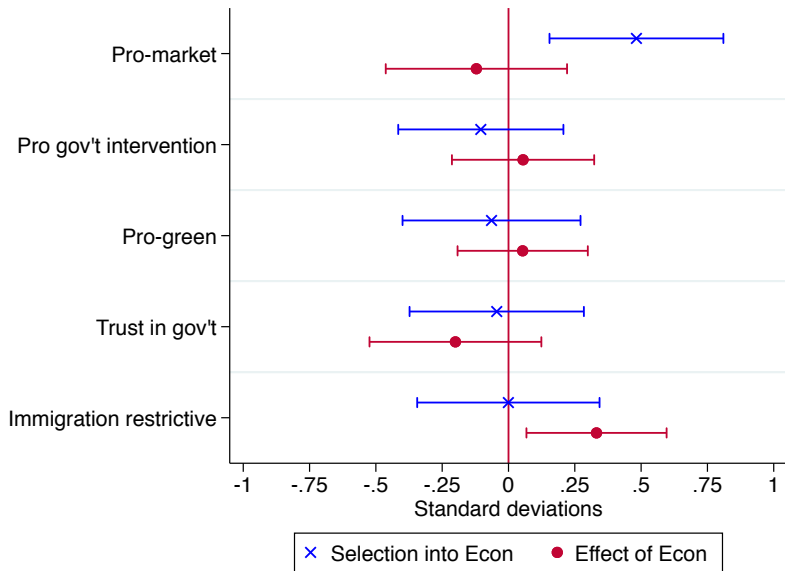
Results: experimental outcomes



Results: policy opinions I - PCA principal components



Results: policy opinions II - simple averages



Detail on the 'immigration restrictive' effect

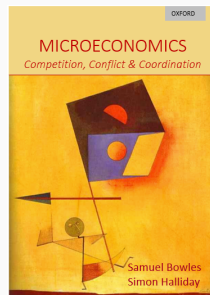
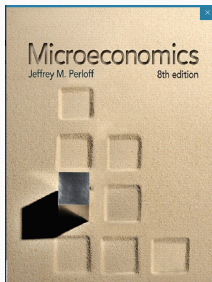
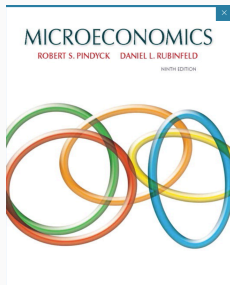
- Economics seems to increase support for the following statement:
'Immigrants from other countries should be prohibited except where it can be shown that they will contribute to the quality of life of the current resident population'
- Support increases by 0.33 SDs (SE=0.13) among econ students relative to control group (Westfall-Young adjusted-p=0.09);
- Support for this question starts low in both groups (≈ -0.36 on a -1/+1 scale), and even after this increase, econ students remain more likely to disagree than to agree with the statement;

Differences in course content

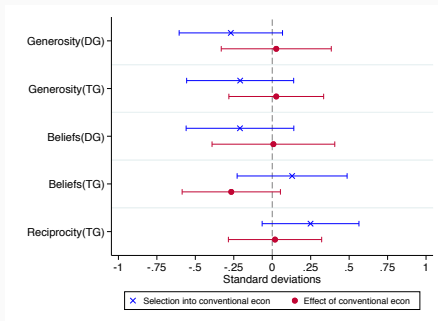
Augmented specification with heterogeneous effects of Econ:

$$y_{it} = \alpha_i + \gamma Post_t + \beta^W Conventional_i * Post_t + \beta^{PW} PostWalras_i * Post_t + u_{it}$$

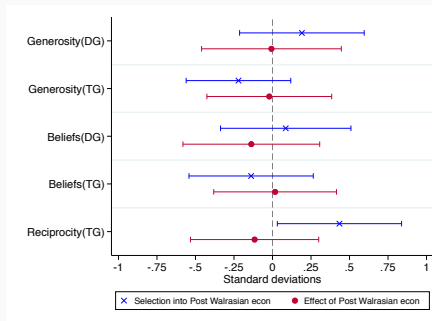
- *Conventional* = dummy for taking a conventional Micro course;
- *PostWalras* = dummy for taking the Post-Walrasian Micro course.
- β^W = effect of conventional Micro;
- β^{PW} = effect of Post-Walrasian Micro.



Results: experimental outcomes - differences in course content

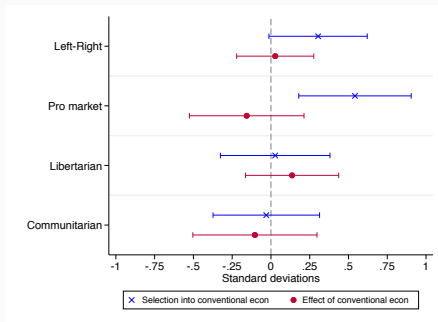


(a) Conventional curriculum

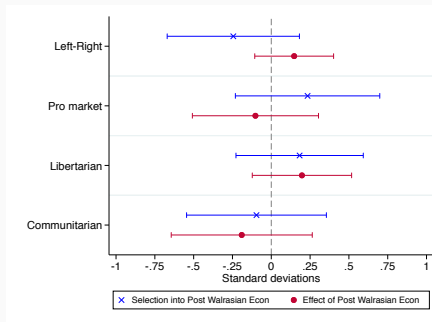


(b) Post Walrasian curriculum

Results: policy opinions - principal components - differences in course content

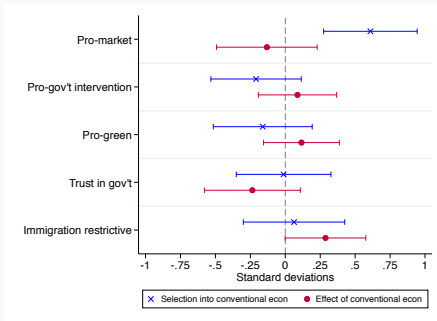


(c) Conventional curriculum

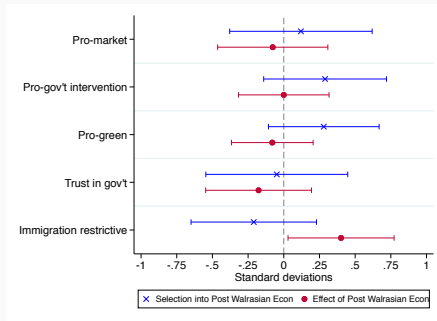


(d) Post Walrasian curriculum

Results: policy opinions - simple averages - differences in course content



(e) Conventional curriculum



(f) Post Walrasian curriculum

What do we take away?

- little to no effect of the econ courses we study on social preferences, expectations about social preferences and policy views;
 - one exception: increased support for (or reduced opposition to) restrictive immigration policy;
 - more research needed to assess robustness of this result;
- broadly consistent with previous diff-in-diff evidence using real-world donations (Frey & Meier 2003; Bauman & Rose 2011);
- the substantial framing effects of a brief exposure to economics found by Molinsky et al (2012) and Ifcher & Zarghamee (2018) might be transitory;
- *homo economicus* mechanisms offset by *doux commerce*?