

# Does Economics Make you Selfish?

---

Daniele Girardi\*

Sai Madhurika Mamunuru\*

Simon D. Halliday\*\*

Samuel Bowles\*\*\*

\* University of Massachusetts Amherst

\*\* Smith College

\*\*\* Santa Fe Institute

## 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:

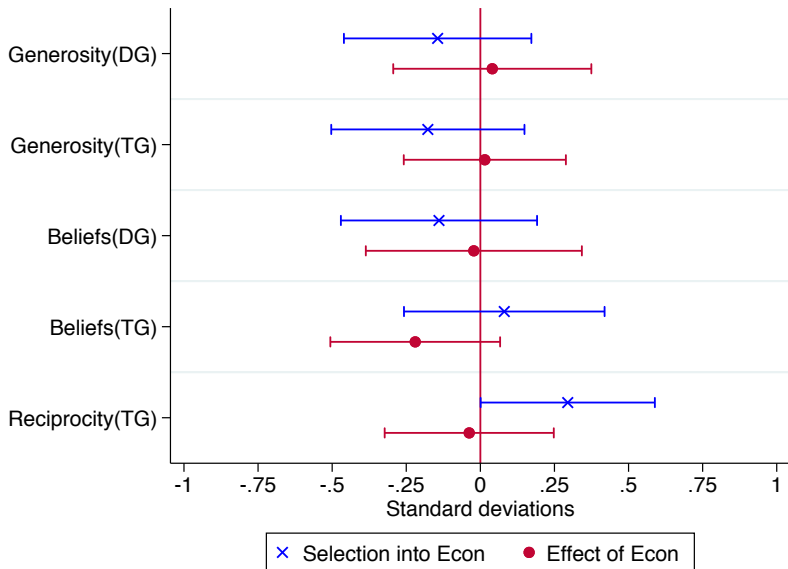
- administered pre- and post-treatment;
- incentivized games (TG and DG) to measure generosity and reciprocity ;
- incentivized tasks eliciting expectations about other people's generosity and reciprocity;
- questions eliciting policy views on economic and environmental regulations, trust in government,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

## Baseline specification:

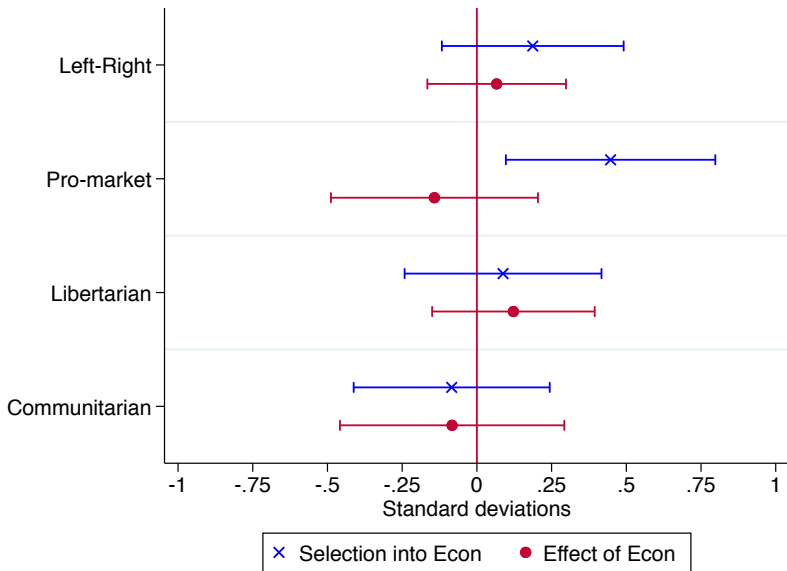
$$y_{it} = \alpha_i + \gamma Post_t + \beta Econ_i * Post_t + u_{it}$$

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

## Results: experimental outcomes

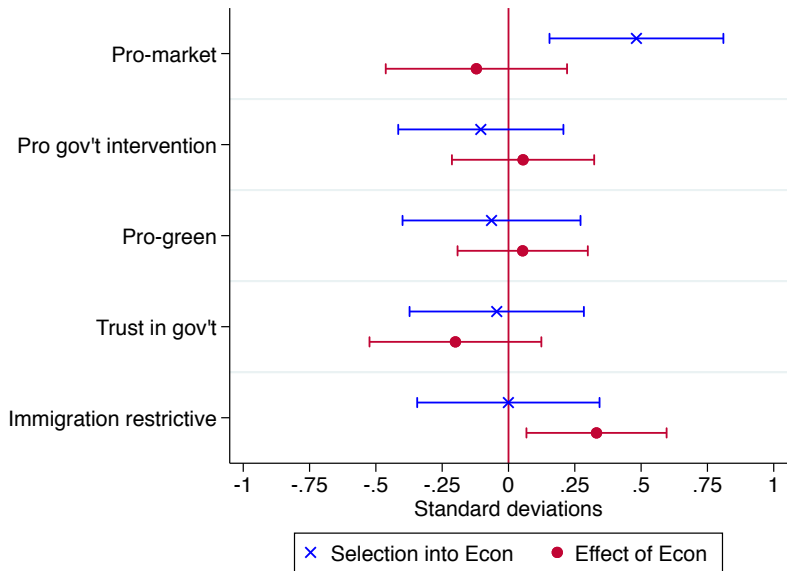


## Results: policy opinions I - PCA principal components





## Results: policy opinions II - simple averages



## Detail on the 'immigration restrictive' effect

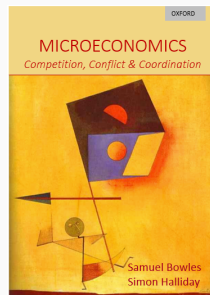
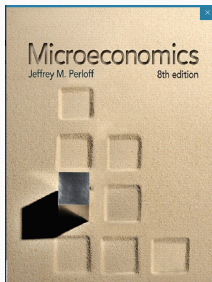
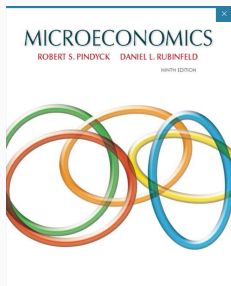
- Economics seems to increase support for the following statement:  
*'Immigrants from other countries should be prohibited except where it can be shown that they will contribute to the quality of life of the current resident population'*
- Support increases by 0.33 SDs (SE=0.13) among econ students relative to control group (Westfall-Young adjusted-p=0.09);
- Support for this statement starts low in both groups ( $\approx -0.36$  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

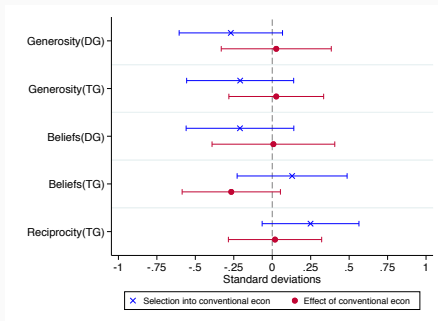
**Augmented specification** with heterogeneous effects of Econ:

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

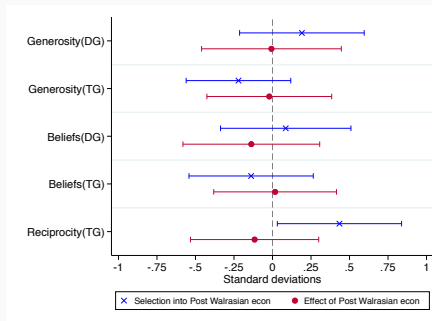
- *Conventional* = dummy for taking a conventional Micro course;
- *PostWalras* = dummy for taking the Post-Walrasian Micro course.
- $\beta^W$  = effect of conventional Micro;
- $\beta^{PW}$  = effect of Post-Walrasian Micro.



# Results: experimental outcomes - differences in course content

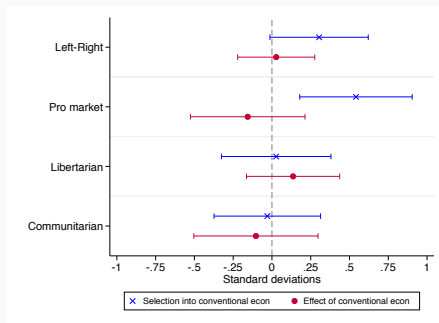


(a) Conventional curriculum

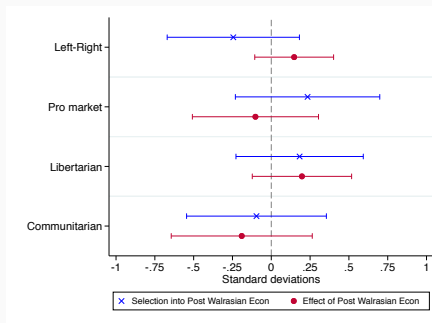


(b) Post Walrasian curriculum

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

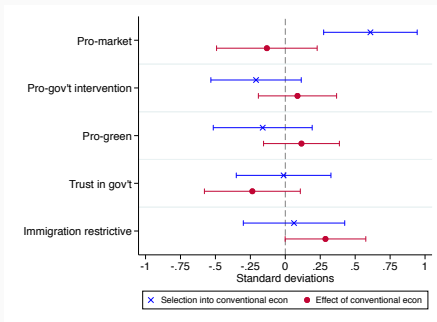


(c) Conventional curriculum

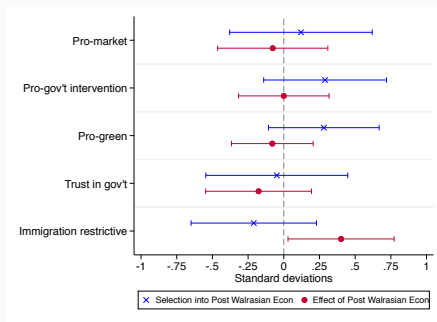


(d) Post Walrasian curriculum

# 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*?