



The Department of Economics

SEMINAR

We are happy to invite you for a lecture that will take place on **Thursday, March 18th at 15:00**

The lecture will be on zoom.

Speaker: **Yoram Halevy**

Zoom link: <https://us02web.zoom.us/j/7397512132>

Title: **Randomize at your own Risk: on the Observability of Ambiguity Aversion**

(with Aurelien Baillon and Chen Li)

Abstract:

Facing several decisions, people may consider each one in isolation, or integrate them into a single optimization problem. Isolation and integration may yield different choices, for instance, if uncertainty is involved and only one randomly-selected decision is implemented. We investigate whether the random incentive system in experiments that measure ambiguity aversion provide a hedge against ambiguity, making ambiguity-averse subjects who integrate behave as if they were ambiguity neutral. Our results suggest that about half of the ambiguity averse subjects integrated their choices in the experiment into a single problem, whereas the other half isolated. Our design further enable us to disentangle properties of the integrating subjects' preferences over compound objects induced by the random incentive system and the choice problems in the experiment.

We look forward to seeing you.