

The (Negative) Value of Choice - Evidence from an Incentivized Survey Experiment

Abstract

Do people have a preference for making choices themselves or do they prefer to choose a preselected alternative? We study this question in an incentivized survey experiment with a large sample from the German population, where subjects choose between three lotteries. In the main treatment, subjects make a two-stage choice between a preselected alternative and a two element choice set. The same three alternatives are available in all treatments but the overall choice set is partitioned differently across treatments. We find that subjects have a preference for the preselected alternative. Estimating a structural model, we derive an estimate for the distribution of subjects' willingness to pay for simple choices. Using our survey data, we relate the subjects' preference for simplicity to their political preferences.

This paper is joint work with Linnéa Marie Rohde (University of Mannheim).

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