Newsletter 14/2023

Upcoming Seminars

Monday, 5.6.2023　　**Departmental Seminar**

13.30-14.30　　Eugen Dimant, University of Pennsylvania

AWI room 00.010　　"Hate Trumps Love: The Impact of Political Polarization on Social Preferences"

(Host: Anca Balietti)

Wednesday, 7.6.2023　　**Internal Seminar**

12.15-13.15　　Bettina Chlond

AWI room 00.010　　"Agents of Change? Energy advisors as determinants of energy efficiency assistance program performance"

Abstracts

Departmental Seminar

Eugen Dimant

"Hate Trumps Love: The Impact of Political Polarization on Social Preferences

Exhibiting altruism toward and cooperativeness with others is a key ingredient for successful work relationships and managerial decision making. Rising political polarization creates a hazard because it ruptures this fabric and impedes the interaction of employees, especially across political isles. This paper's focus is to examine various behavioral-, belief-, and norm-based layers of (non)strategic decision making that are plausibly affected by polarization. I quantify this phenomenon via five preregistered studies in the context of Donald J. Trump, comprising 15 well-powered behavioral experiments and a diverse set of over 8,600 participants. To capture the pervasiveness of polarization, I contrast the findings with various political and nonpolitical identities. Overall, I consistently document strong heterogeneous effects: ingroup-love occurs in the perceptional domain (how close one feels toward others),

whereas outgroup-hate occurs in the behavioral domain (how one helps/harms/cooperates with others). The rich setting also enables me to examine the mechanisms of observed intergroup conflict, which can be attributed to one's grim expectations regarding cooperativeness of the opposing faction, rather than one's actual unwillingness to cooperate. For the first time, the paper also tests whether popular behavioral interventions (defaults and norm-nudges) can reduce the detrimental impact of polarization in the contexts studied here. The tested interventions improve prosociality but are ineffective in closing the polarization gap.

Internal Seminar

Bettina Chlond

"Agents of Change? Energy advisors as determinants of energy efficiency assistance program performance"

Many policies and programs, especially complex ones and those administered to vulnerable groups, rely for their implementation on frontline staff. We contribute to an emerging literature in economics that opens the 'black box' of how the characteristics and attitudes of frontline staff impact on public program performance. Matching survey data (n = 114) collected from energy advisors that staff a nation-wide energy efficiency assistance program in Germany with data from around 16,300 energy efficiency consultations in the homes of low-income households, we find significant heterogeneity in performance between staff. Advisors' economic preferences and their own energy efficiency investment choices contribute to our understanding of the impact of frontline staff on adviser-determined audit outcomes as well as households' investment decisions. While advisors' socio-demographic characteristics do not predict audit outcomes, socio-demographics matter in combination with household demographics via peer effects.

Talks and Research Visits

Zeno Enders presented the paper "Shock Transmissions in Different Inflation Regimes" (joint with Sarah Arndt) at the European Central Bank, Frankfurt, May 30.

At the IMEBESS 2023 Conference, Lisbon, May 18-20, **Theodoros Alysandratos** presented "'Identify the Expert': an Experimental Study in Economic Advice" and **Thomas Eife** gave a talk on "Measuring Inflation Expectations: How the Response Scale Shapes Density Forecasts".

New Publications

Johannes Resin: "From Classification Accuracy to Proper Scoring Rules: Elicitability of Probabilistic Top List Predictions", *Journal of Machine Learning Research* **24**(173):1-21, 2023, https://jmlr.org/papers/v24/23-0106.html.