



Upcoming Seminars

Monday, 23.7.2023

Departmental Seminar

13.30-14.30

AWI room 00.010

Christina Rott, Vrije Universiteit Amsterdam

"The Impact of the Menstrual Cycle on Bargaining Behavior"

(Host: Christiane Schwieren)

Wednesday, 25.7.2023

Internal Seminar

12.15-13.15

AWI room 00.010

Joep Lustenhouwer

"Cognitive noise and the processing of information"

Abstracts

Departmental Seminar

Christina Rott

"The Impact of the Menstrual Cycle on Bargaining Behavior"*

Bargaining is omni-present, for instance, in market transactions, at the workplace, and before intra-household agreements. Recent evidence suggests that the sex hormones characterizing the female menstrual cycle influence women's behavior in different environments. However, little is known about the link between the menstrual cycle and negotiations. In this paper, we examine whether the menstrual cycle influences women's bargaining behavior and bargaining outcomes. In a lab experiment, participants play a dynamic unstructured bilateral bargaining game with private information. While the distribution of the pie size is common knowledge, only one bargaining partner (informed) knows the actual pie size. Our findings suggest that the menstrual cycle and information play an important role: During the ovulation phase, informed women are less compromising and offer a smaller part of the pie to

the bargaining partner compared to the other menstrual phases. These differences translate into higher payoffs (conditional on reaching a deal) during the ovulation phase. Although the bargaining behavior of uninformed women does not change over the menstrual cycle, their bargaining outcomes captured by overall payoffs and deal rates improve during ovulation. These findings combined suggest that bargaining outcomes are better during the ovulation phase---but differently depending on the information setting. Finally, women become better negotiators with experience, independent of the menstrual phase and the information environment. Overall, our findings suggest that both, biological factors and the environment, play an important role in determining women's bargaining behavior and outcomes and that negotiating can be learned.

*with Lina Lozano and Arno Riedl

Internal Seminar

Joep Lustenhouwer

"Cognitive noise and the processing of information"

We run two individual-decision online experiments. In the main experiment, we let participants predict new realizations of a noisy AR(1) process. In addition to this process, we also provide them with two other highly correlated time series that are less noisy and hence more informative about future realizations. We find that subjects deviate from the Bayesian predicting by not fully taken into account the "external" information, especially when the correlation between the most informative process and the process that needs to be predicted is negative.

We rationalize these findings with a noisy-information model where, in addition to the traditional noise in signals, we allow for "cognitive" noise that may vary across information sources depending on how difficult it is for a human being to process this information. We obtain additional support for this theory in a second experiment, where the number of mistakes about a simple investment question considerably and significantly varies across treatments, depending on whether external information was used, and whether a mental rotation (like with a negative correlation) had to be performed.

Talks and Research Visits

Christian Conrad gave a keynote lecture on "Inflationsprognosen und ihre Entwicklung: eine ökonometrische Perspektive" at the 47. *Mannheimer Versicherungswissenschaftliche Jahrestagung*, July 13.

Editorial deadline for issue 22/2023 of the newsletter:
Wednesday, October 11, 2023, 12 p.m.
newsletter@awi.uni-heidelberg.de