

Psychology

Research Seminar
Programme



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Host: Gerry Molloy

*Effects of stress on economic decision-making:
evidence from laboratory experiments*

Abstract

We conduct a laboratory experiment to investigate the effects of stress on financial decision making among individuals aged 50 and older. Using the cold pressor task as a physiological stressor, and a series of intelligence tests as cognitive stressors, we find that stress increases subjective discounting rates, increases the average degree of risk-aversion, and substantially lowers the effort individuals make to learn about financial decisions. The results are discussed in the context of new models of economic decision making incorporating a range of empirical regularities about how people discount the future.

Keywords: stress, financial decisions, discounting, risk aversion, learning.

Seminars are free of charge and held on

Thursdays @ 4:00 pm Room 3A94

Refreshments are served upon arrival * All are welcome

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