What You Are Getting and What You Will Be Getting:
Testing Whether Verb Tense Affects Intertemporal Choices

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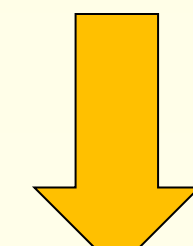The University of Chicago Booth School of Business

Background

• Chen (2013) relates savings behavior of the people from a country to the primary language of that country.
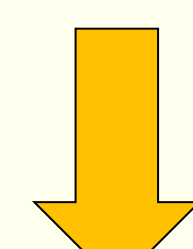
• According to the literature, languages are, broadly, of two types:

• **Strong Future Time Reference (FTR)**

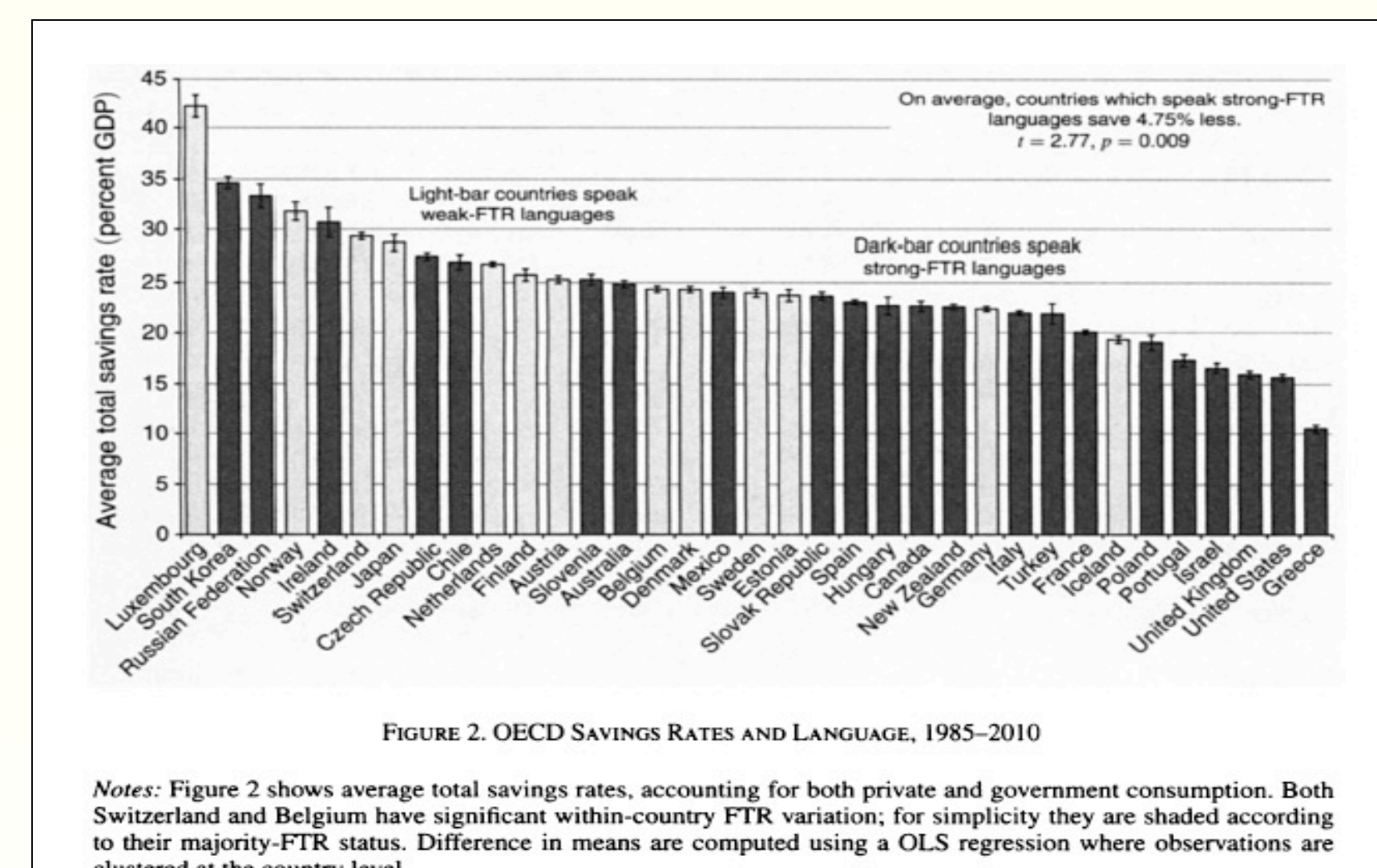Present tense =/= Future tense

• **Weak Future Time Reference (FTR)**

Present tense = Future tense

• Main claim of Chen (2013):

Savings rate of countries with weak FTR languages > Savings rate of countries with strong FTR languages.

Figure 2. OECD Savings Rates and Language, 1985–2010

Notes: Figure 2 shows average total savings rates, accounting for both private and government consumption. Both Switzerland and Belgium have significant within-country FTR variation; for simplicity they are shaded according to their majority-FTR status. Difference in means are computed using a OLS regression where observations are clustered at the country level.

Aims of the paper

• **Main aim:** *To test whether Chen's findings of financial impatience can be explained by the verb tense used to describe choice options at the time of decisions.*

• **Approach:** *To test whether people favor reward options described using an earlier tense framing in intertemporal choices.*

Within-language manipulation

• **Language used for testing the question:** *English*

• **Reason:** *Flexibility in whether verb tense matches time of event.*

	Present Tense	**Future Tense**
Present Event	I **leave** for Chicago **today**.	I **will leave** for Chicago **today**.
Future Event	I **leave** for Chicago **tomorrow**.	I **will leave** for Chicago **tomorrow**.

Timing inferences from tense

Present Tense was inferred to occur earlier than Future Tense

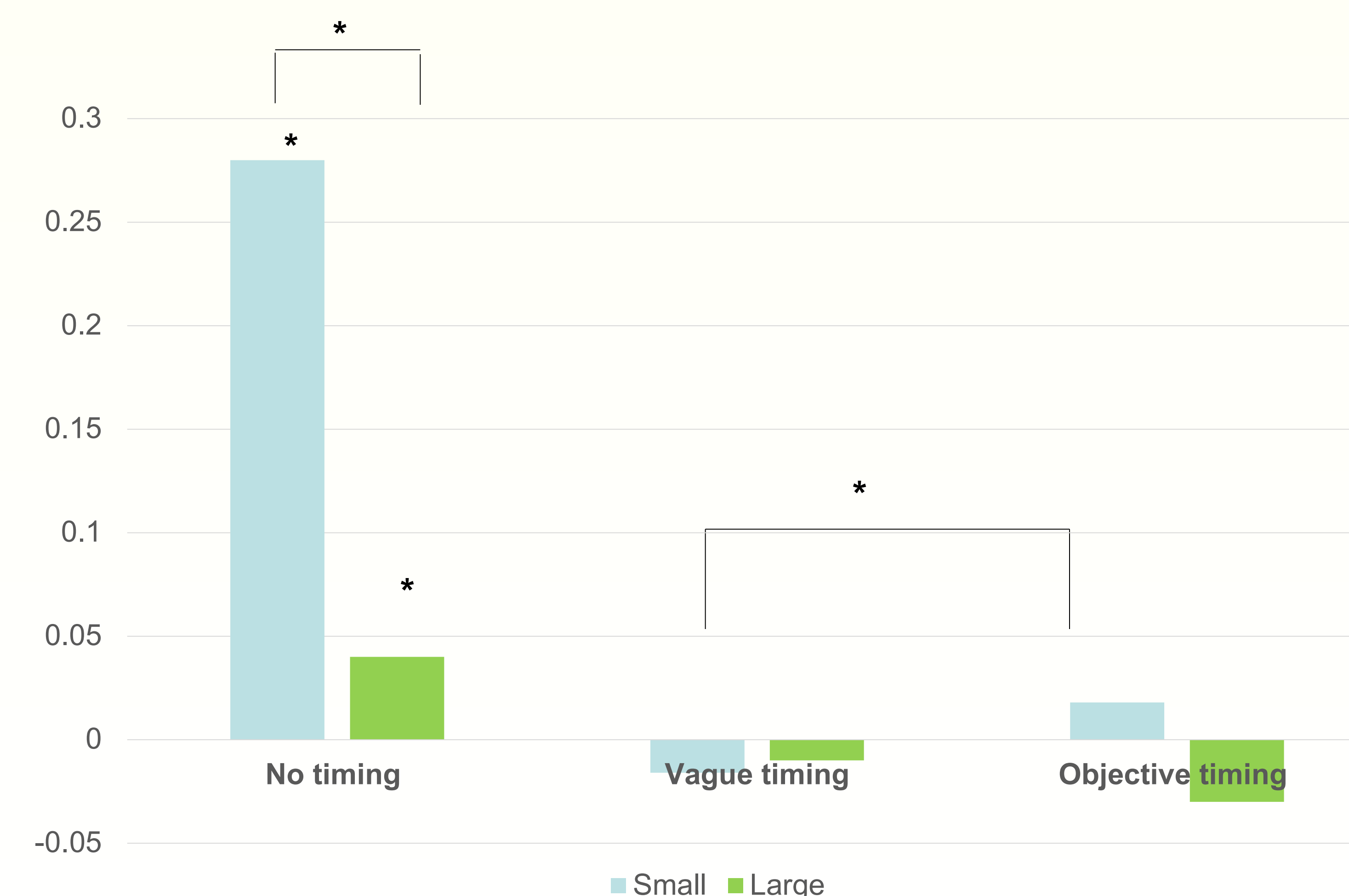■ Present Tense
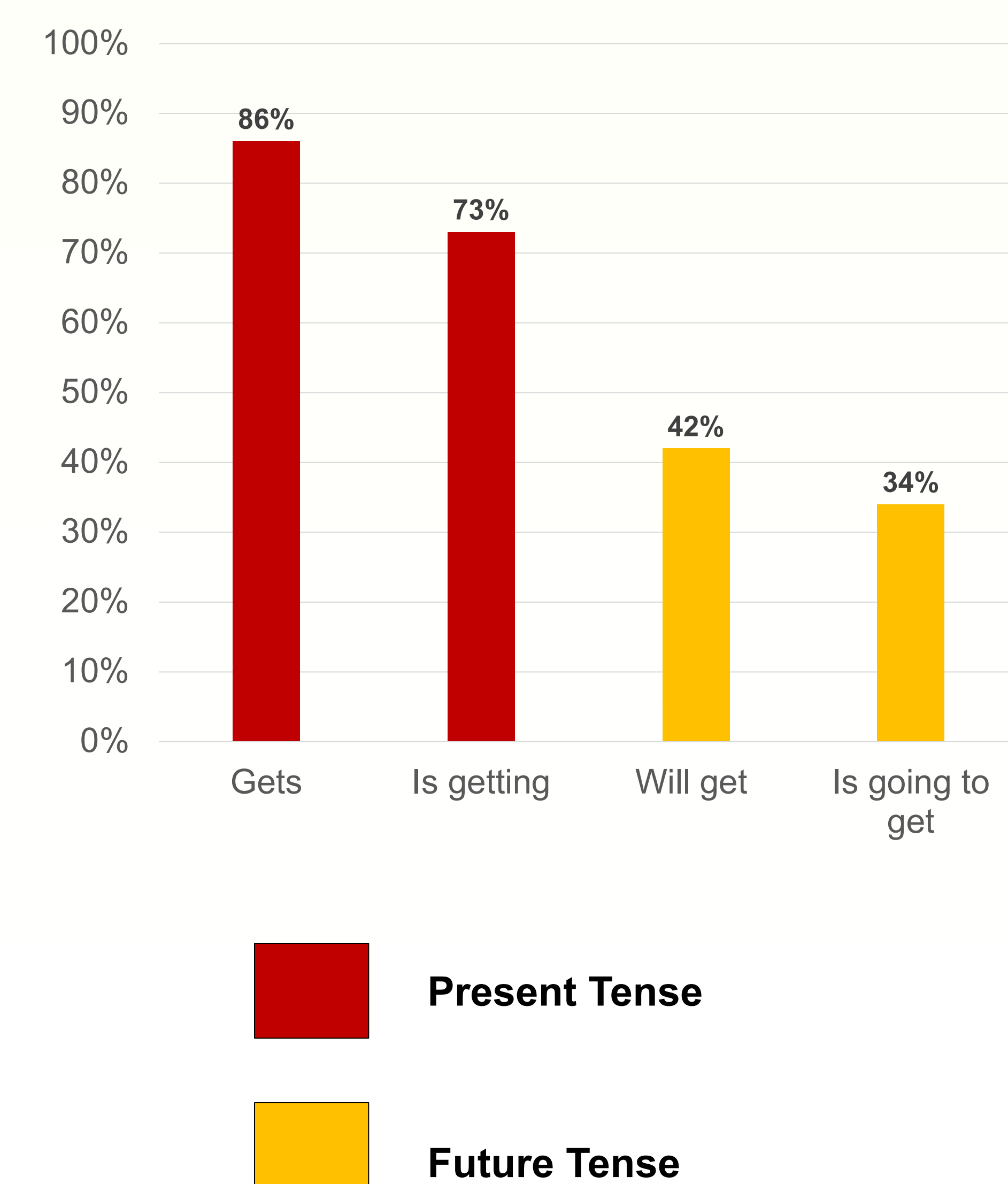
■ Future Tense

Results

Sample Study:

• *Question:* Please choose between: "You get $19" vs "You will get $21"

• Absent any timing information, people chose options described in the present tense significantly more than options described in the future tense.

• There is a 35 percentage point difference in probability of choice.

Overall Results:

■ Small ■ Large
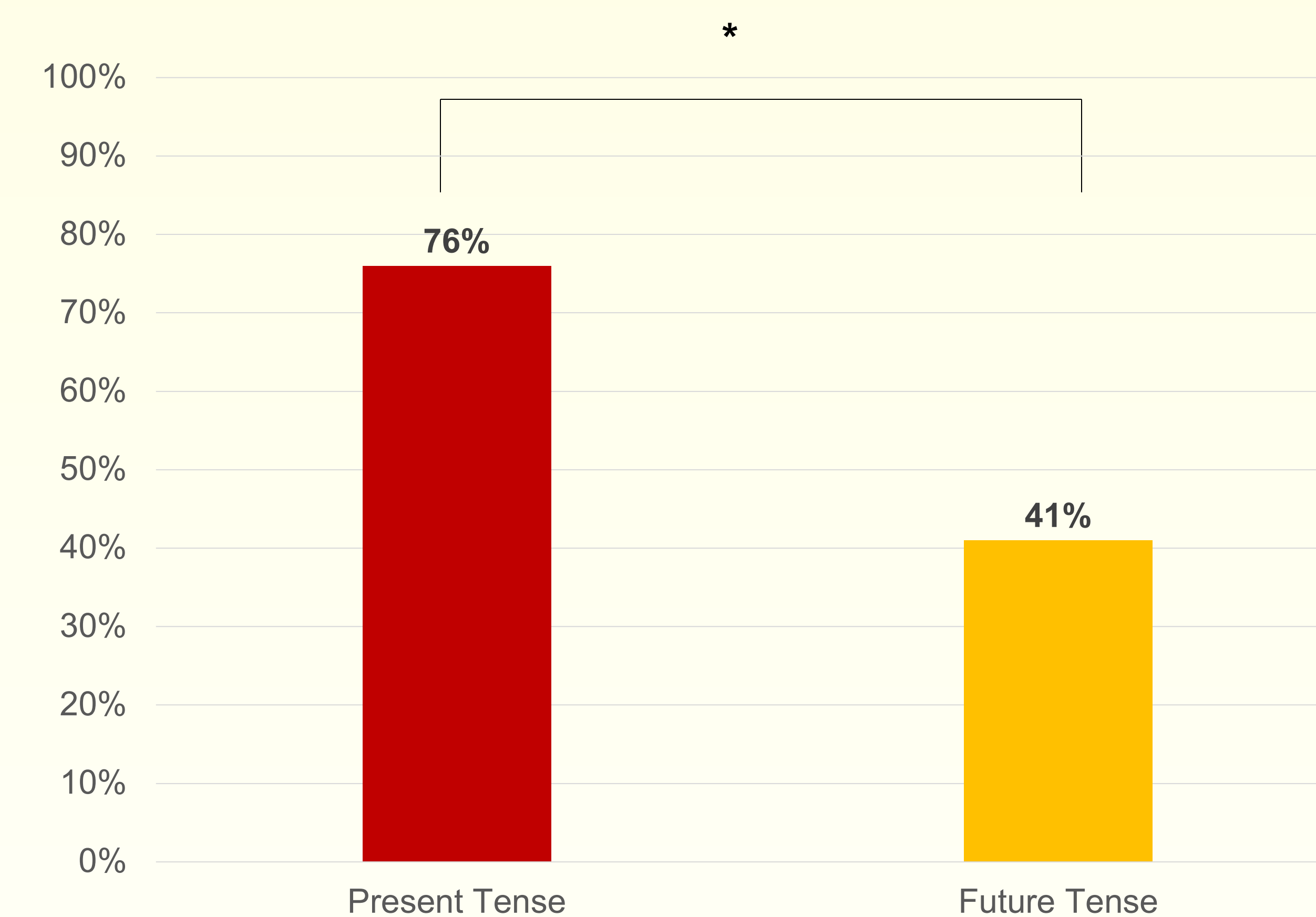
• Combined results from 9 studies (N=2759, 125 choices), manipulating:

– *Tense: Present tense ("get" or "are getting"), future tense ("will get" or "are going to get") Note: neutral tense ("would get") reduced likelihood of choice, analyzed separately*

– **Objective timing (up to 8 days)**

– *Types of vague timing information: different time (e.g., soon vs. later), same word (e.g., soon vs. soon) and different words for the same time (e.g., promptly vs. quickly)*

– *Difference between amount: Small differences (up to $3) to Large differences (up to $20)*

Conclusion

• **Are people more likely to choose options described in a prescriptively earlier tense?**

– Yes, when there is no other timing information, and when the difference between amounts is small.

– Presence of *any* timing information blocks the effect of earlier tense on choice.

Limitations

• In all the studies, tense was examined in brief, specific stimuli (choice options) rather than natural language (like conversation).

• These studies test contextual difference in tense, rather than long term effects of learning languages that differ in tense structures.

Selected References

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