

Entrusting Future to Others' Hands: People Are More Likely to Delegate Choice to Decision Device When Choosing for The Future

Minkwang Jang*, Oleg Urminsky
The University of Chicago Booth School of Business
*mkjang@chicagobooth.edu

Click [here](#) for the Zoom chat room
on Saturday, December 12th
8-9:15am (EST)

Or please feel free to connect via
the email address on the left



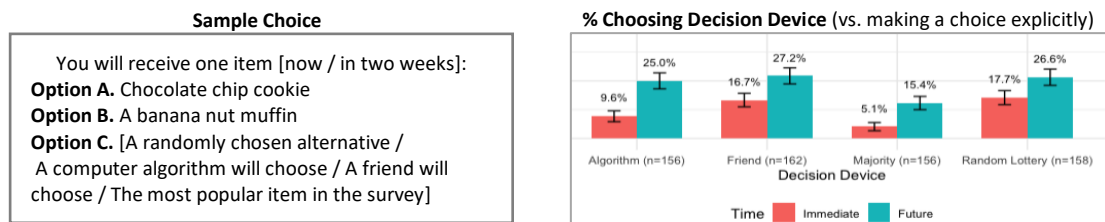
ABSTRACT

- We compare preference-based choices with outcomes that will occur immediately vs. in the future (e.g., receiving a cookie now vs. later).
- We document a “delegating future choice” effect where given an option to externalize choice (i.e., have the choice made by chance, algorithm, or another person), people are more likely to leave the choice to be made by a decision device or a third party for future outcomes than for immediate outcomes.

MOTIVATION

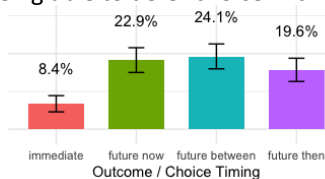
- Previous research shows that people often exhibit different preferences across time
- Such research focuses on *what* people chooses but relatively less is known about *how* people like to choose

MAIN FINDING: People delegate choice more to a decision device for future outcomes than for immediate outcomes (decision devices: computer algorithm, friends, majority rule, random chance)



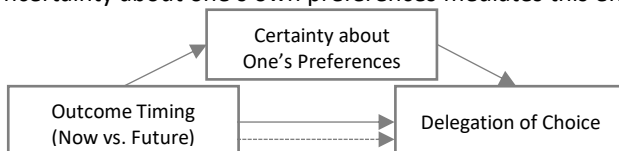
POTENTIAL EXPLANATIONS AND MODERATOR/MEDIATORS:

- ◆ Desire to postpone learning about future reward does not explain this effect (study 2)
 - Effect is not mitigated when they will learn the result of the randomization immediately (vs. later)
 - *Need for cognitive closure* does not moderate preference for leaving choice to randomizer
- ◆ Being able to defer choice in time does not mitigate delegation of choice for the future (study 3)
 - Varied *the time at which people can make the choice* (immediately, sometime before the outcome timing, at the time of the outcome)
 - Higher preference of decision device for future outcomes persists



- ◆ People are not more indifferent for future outcomes (study 5)
 - Indifference for future outcomes would predict stronger default effect when choosing for the future
 - Default effect was not stronger for future outcomes

- ◆ Uncertainty about one's own preferences mediates this effect (study 4)



- People are more uncertain about their preferences in the future than their current preferences for the same choice set
- Mediates about 30% of the effect

CONCLUSIONS

- Previous research characterizes people as being overconfident about future, focusing on how they project their current preference to their future selves. Our research highlights how people deal with uncertainty about the future.
- Given that there is intrinsic value in choice, our findings suggest that people are even willing to give up choice and agency in the face of uncertainty about their own future preferences.