

Advisors Discount the Future Less than Actors Do

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Zoom Link:

<https://uni-mannheim.zoom.us/j/9024379385?pwd=NFZ5Qk5tVDBoMExFSXlQRzdQMmVWUT09>

Abstract

Many decisions involving health, career, or finances have consequences for the present and the future. These are also decisions for which people often welcome advice, raising the question of whether involved actors may differ from advisors in taking account of the future. Five studies provided consistent evidence that advisors are less prone to temporal discounting than are involved actors. These findings were observed in hypothetical financial decisions, in decisions regarding when to receive actual payment for participation in studies, and in studies in which the advisor's advice was incentivized. Findings are discussed in terms of theoretical and societal implications.

Intro

More patient recommendations and more impulsive personal decisions should result from representing the decision situation at higher construal levels¹, from relying primarily on the cold-system², or from an interpersonal empathy gap³ (Hypothesis 1a). From a simulation approach, however, recommendations should be more impulsive than personal decisions⁴ (Hypothesis 1b).

Studies

Study 1 (N = 100):

- Design: Actor vs. advisor
- Hypothetical choice: Monetary Choice Questionnaire⁵
- $M_{actor} = 41.4\%$, $SD = 24.5$ vs. $M_{advisor} = 52.8\%$, $SD = 26.1$, $F(1, 98) = 5.07$, $p = .03$

Study 2 (N = 88):

- Design: Actor vs. advisor
- Real choice: directly 0.50 EUR for participating in the study vs. 2 EUR next week
- 2 EUR was recommended by 70% of the advisors but only chosen by 45% of the actors, $\chi^2(1) = 5.12$, $p = .02$

Study 3 (N = 80):

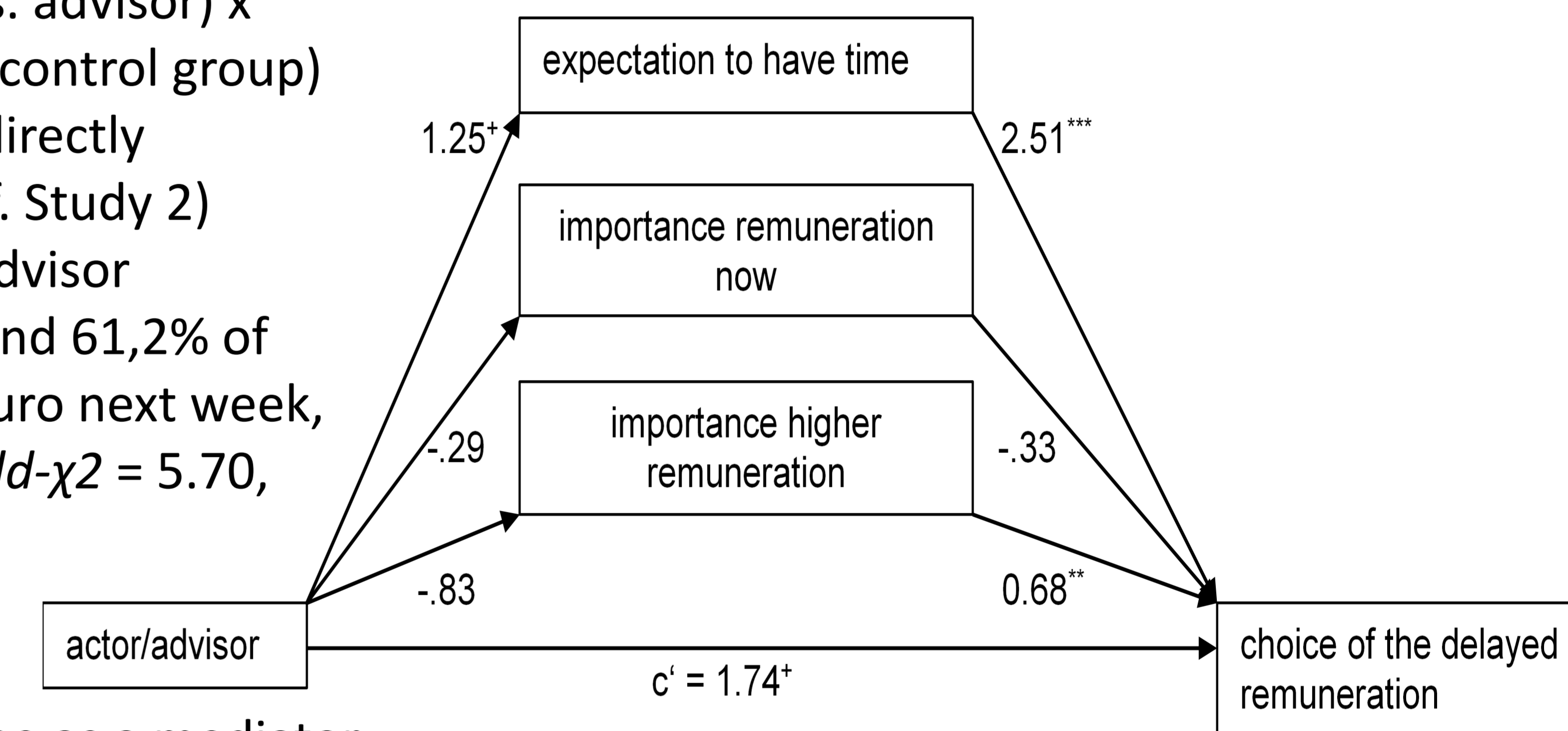
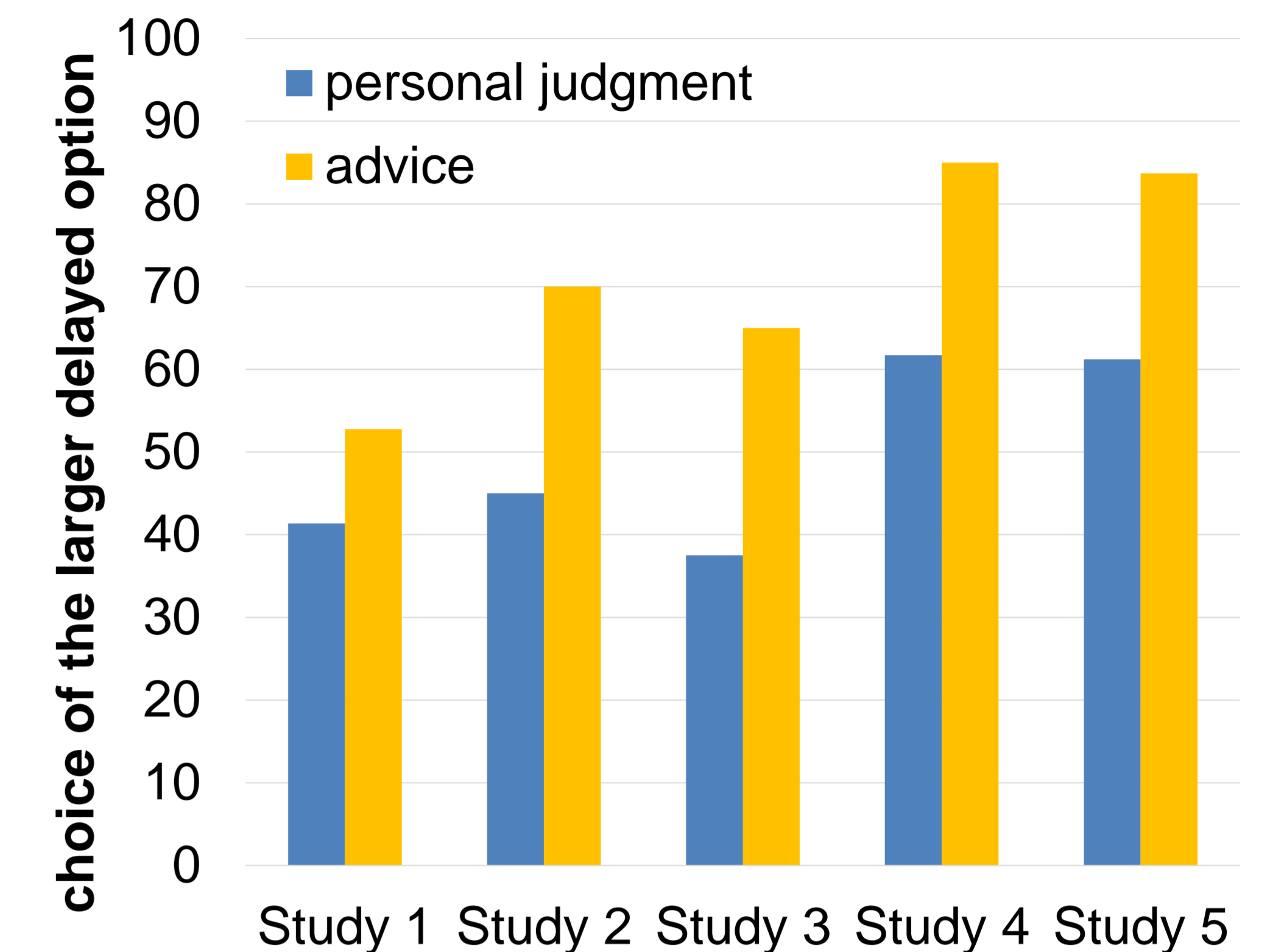
- Design: Actor vs. advisor (controlling for MCQ as a covariate)
- Real choice: 0.50 EUR directly vs. 2 EUR next week (cf. Study 2)
- 65% of the advisors and 37,5% of the actors chose 2 Euro next week, $\chi^2(1) = 6.05$, $p = .014$.

Study 4 (N = 120):

- Design: 2 (role: actor vs. advisor) x 2 (incentive: match vs. control group)
- Real choice: 0.50 EUR directly vs. 2 EUR next week (cf. Study 2)
- Meeting of actor and advisor
- 85% of the advisors and 61,7% of the actors selected 2 Euro next week, $b = 1.18$, $SE = 0.54$, $Wald-\chi^2 = 4.72$, $p = .03$
- Incentive x role was not significant ($p > .84$)

Study 5 (N = 98):

- Design: 2 (role: actor vs. advisor) x 2 (incentive: match vs. control group)
- Real choice: 0.50 EUR directly vs. 2 EUR next week (cf. Study 2)
- Meeting of actor and advisor
- 83,7% of the advisors and 61,2% of the actors selected 2 Euro next week, $b = 1.61$, $SE = 0.67$, $Wald-\chi^2 = 5.70$, $p = .02$
- Incentive x role was not significant ($p > .34$)
- Expectation to have time as a mediator



Discussion

- Advisors are less prone to temporal discounting than actors
- Findings extend the robust effects of temporal discounting in individual decision makers
- Expectation to have time as a mediator → proxy for differences in rated feasibility (construal level theory) and differences in knowledge
- Time perspective of advisors complements the perspective of actors. This may result in more balanced decisions, and perhaps decisions that tend to yield less regret in the long run. However, advisors seem to be less sensitive to feasibility constraints.

1 Trope, Y. & Liberman, N. Construal-level theory of psychological distance. *Psychol. Rev.* 117, 440-463 (2010)

2 Metcalfe, J. & Mischel, W. A hot/cool-system analysis of delay of gratification: Dynamics of willpower. *Psychol. Rev.* 106, 3-19 (1999).

3 Loewenstein, G. Out of control: Visceral influences on behavior. *Organ. Behav. Hum. Dec.* 65, 272-292 (1996).

4 O'Connell, G., Christakou, A., Haffey, A. T. & Chakrabarti, B. The role of empathy in choosing rewards from another's perspective. *Front. Hum. Neurosci.* 7:174 (2013).

5 Kirby, K.N. & Marakovic, N. N. (1996). Delay-discounting probabilistic rewards: Rates decrease as amounts increase. *Psychon. B. Rev.* 3, 100-104.