

CEAR Africa Conference

Estimated Risk Preferences: Power and Normative Considerations

Friday, July 27, 2018

University of Cape Town | Cape Town, South Africa

There has been considerable progress in recent years in the development of experimental and econometric tools to allow structural estimation of risk preferences. Different models of decision-making involving risk are allowed for, and batteries of lotteries have been developed to better identify specific aspects of those models (e.g., probability weighting, loss aversion, violations of reduction of compound lotteries). A natural question now is how to rigorously evaluate the statistical power of these batteries when it comes to different types of inferences. A related question is the manner in which estimated risk preferences can be used to normatively evaluate behavior. This focused workshop examines recent developments in these two aspects of the estimation of risk preferences.

Organizers

Glenn Harrison (CEAR, Georgia State University), and Don Ross (University College Cork, University of Cape Town, and CEAR) are the organizers of this workshop. Should you have questions about the conference, please contact Professor Glenn Harrison at gharrison@gsu.edu about the substance of the workshop, and contact Mark Schneider at cear@gsu.edu with questions about participation and logistics.

Sponsor

The conference is being sponsored by *CEAR Africa*, a joint collaboration between the *Center for the Economic Analysis of Risk* (CEAR, cear.gsu.edu) at Georgia State University and the *Research Unit in Behavioural Economics and Neuroeconomics* (RUBEN, ruben.uct.ac.za) at the University of Cape Town.

Dates / Times

Friday, July 27th – 9:00am to 5:00pm for the regular program. A conference dinner will follow afterwards for all presenters, discussants, and invited attendees. Lunch and refreshments will be provided. Please list any special dietary needs while registering.

Registration

The event is free to attend. However, you must register on the event's site - cear.gsu.edu/event-archives/estimated-risk-preferences-power-and-normative-considerations/. Confirmation of attendance is on a first-come, first-served basis.

Location

This workshop will be held on the 4th Floor of the School of Economics Building on the Middle Campus of the University of Cape Town in Rondebosch. Please see the map link for more detail - <https://goo.gl/maps/bX1wtY5fki12>.

Lodging / Travel

Lodging and travel assistance will only be considered for out-of-town presenters at the conference. We will cover standard economy airfare, other travel, and accommodation. Please note that you are responsible for making your own bookings. If you are being reimbursed by us, you should have received an email with this information already. Please enquire at cear@gsu.edu if you have not received this information.

PROGRAM – Friday, July 27, 2018

9:00am – 9:15am	Welcome and introduction – Glenn Harrison
9:15am – 10:15am	“Quasi-Optimal Design of a Hey and Orme Experiment” Presenter: Nathaniel Wilcox (Chapman University)
10:15am – 10:30am	Break
10:30am – 11:30am	“Statistical Power in the Classification of Models of Risk Preferences for Individuals” Presenter: Brian Monroe (University of Cape Town)
11:30am – 12:30pm	Panel Session: “What questions do we want power analysis to answer?” Glenn Harrison (Georgia State University – CEAR, and University of Cape Town) Nathaniel Wilcox (Chapman University)
12:30pm – 1:30pm	Lunch (catered)
1:30pm – 2:30pm	“Welfare Analysis from the Intentional Stance” ¹ Presenter: Don Ross (University College Cork, CEAR, and University of Cape Town)
2:30pm – 2:45pm	Break
2:45pm – 3:45pm	“Deciphering the Noise: The Welfare Costs of Noisy Behavior” ² Presenter: Aleksandr Alekseev (Georgia State University and Chapman University)
3:45pm – 4:00pm	Break
4:00pm – 5:00pm	“The Welfare Implications of Stochastic Models” Presenter: Brian Monroe (University of Cape Town)
TBA	Workshop Dinner (location TBA)

¹ joint with Glenn Harrison: see §5 of Harrison G.W. and Ross D. “Varieties of Paternalism and the Heterogeneity of Utility Structures,” *Journal of Economic Methodology*, 25(1), 42-67.

² joint with Glenn Harrison, Morten Lau and Don Ross.