

# **INDIVIDUAL VS. COLLECTIVE BEHAVIOR: AN EXPERIMENTAL INVESTIGATION OF RISK AND TIME PREFERENCES IN COUPLES**

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# Individual vs. Collective Behavior: An Experimental Investigation of Risk and Time Preferences in Couples

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## **Abstract**

This paper study decision-making under risk and decision-making over time made by couples. We performed a joint experimental elicitation of risk and time preferences both for couples and for their individual members. We used general behavioral models of decision under risk and over time and measured utility, probability weighting, and discounting. Under risk, our main result is that probabilistic risk attitude for couples lay within the boundaries of individual attitudes: couples are less risk-averse than individuals at high probability levels and also less risk-seeking at low probability levels. In decision over time, couples discounted less future amounts of money than individuals. This result suggests that making joint decisions significantly reduces revealed impatience.

**KEYWORDS:** Couples, Group Decisions, Risk, Uncertainty, Prospect Theory, Utility, Decision Weights, Time Preferences, Discounting, Gender.