Spurious! Name Similarity Effects (Implicit Egotism) in Marriage, Job and Moving Decisions

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People like themselves. They also like things that remind them of themselves. Four published papers claim this is so much so that they marry, move to states, cities and streets, and work in occupations and for companies that have names similar to their own. Using the same and also new data, this paper shows all these findings are spurious.

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Small Influences with BIG Consequences: Consumer Decisions in the Wild
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EXTENDED ABSTRACTS

“Racial Preferences in Charitable Behavior Vary by Age of Recipient”
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Decades of experimental research provide evidence about factors that influence charitable giving. Recent research in consumer behavior emphasizes characteristics of the description of the charity (Kogut & Ritov, 2005; Small & Verrochi, 2009) and characteristics of donation request strategies (Lui and Aaker, 2008; Shang & Croson, 2009) as crucial for understanding when charitable appeals succeed. Although this research is useful for isolating cause and effect relationships and for pinpointing psychological mechanisms, researchers and practitioners remain skeptical about the extent to which such effects persist in real charity markets, where the precise control of the laboratory is lacking. Thus examining factors that influence charitable donations in natural settings is an essential step for understanding the psychology of giving.

The present research utilizes data from an online charity that allows individuals to connect directly with classrooms in need. The charity’s mission is to improve public education by empowering teachers to make changes and to enable citizens to be philanthropists. Public school teachers submit short proposals for needs for their classroom (e.g., microscope slides for biology class, violins for a school recital). Individuals browse proposals online and choose to give any amount. Once a project reaches its funding goal, the charity delivers the materials to the school.

Teachers can also include a picture that appears alongside their proposal—some 33% choose to do so. Given that vivid images tend to have a larger effect on judgment, memory, and behavior than palilid statistical information (Nisbett & Ross, 1980), posting a picture seems to be a wise strategy for a teacher requesting funds. Indeed, we find that proposals including a picture are 5% more likely to be funded than otherwise identical proposals. However, specific attributes of the pictures likely matter as well. For instance, Small and Verrochi (2009) found that when victim expressed sadness in a picture on a charity advertisement, people donated more than when the victim expressed happiness or neutral emotion. We expected that many other aspects of a picture may predict charitable giving choices.

Two features of a classroom in need that become particularly salient in the presence of a picture are the age of the students and their race. Given past research on stereotype activation (Devine, 1989), in-group preference in helping, and infrahumanization of African-Americans (Cuddy, Rock, & Norton, 2007), we expected that for older children, proposals containing pictures of Caucasian children would be more likely to be funded than those containing pictures of African-American children. However, we expected this common pattern to disappear or even reverse when the children are young because young African Americans will not be saddled by the same negative stereotypical associations as older children (e.g., Nosek et al., 2007).

We coded the race of the students in the pictures and used information provided in the proposal summary to ascertain the grade level of the students (either pre-K through 5th grade, or 6th through 12th grade). Our final sample includes 539 and 250 proposals that include a picture of African-American students in pre-K-5 and grades 6-12, respectively, and 894 and 332 proposals that include a picture of Caucasian students in pre-K-5 and grades 6-12, respectively.

We employ multivariate regression analysis to control for all other aspects of a proposal (amount of money being requested, type of project, poverty level, etc.) to isolate the causal effect of race and age and the interaction between race and age on the probability of a proposal being funded.

Overall, proposals with pictures of African-American students are funded 3.7% more often (p=.06) than otherwise similar Caucasian proposals. This general preference for African American classrooms—which runs counter to findings in much of the discrimination literature—could simply reflect the selective makeup of donors that participate in this particular online charity or the donors’ assumptions regarding which classrooms benefit the most from their donation.

However, the simple comparison between donation rates by race masks an important underlying interaction of age and race. For young classrooms (pre-K-5), African-American proposals are funded at an even higher rate relative to Caucasian proposals: 6.7% higher. For older classrooms (grades 6-12), on the other hand, African-American proposals are funded 2.5% less often than otherwise similar Caucasian classrooms. Along with being economically large, this interaction effect is also statistically significant (p=.03).

In sum, we utilize donation data from a real charity to examine the subtle effects of the race and age of charity recipients on charitable donations. Future research will attempt to parse out different potential psychological mechanisms for the pattern of effects.

“The Sunny Side of Giving”
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In 2008, charitable giving in the United States totaled over $300 billion dollars (Giving USA 2009). This is over 2% of Gross Domestic Product—a significant share. Despite the fact that charitable giving constitutes such a large portion of economic activity, the basic reasons why people give to others still are not firmly understood (e.g., Batson et al. 1981). Here, we test how an everyday environmental influence, sunshine, influences generosity.

Sunshine is associated with stock market trading (Hirschleifer and Shumway 2003), tipping (Cunningham 1979), and decisions about where to attend college (Simonsohn 2010). Sunshine’s effect on behavior typically is attributed to mood; people consistently report being happier and more satisfied with their lives on sunny days as opposed to rainy days (Schwarz and Clore 1983).

Mood commonly is linked to generosity. Both positive and negative moods increase generosity compared to neutral moods. People who experience a mood-lifting event are more likely to help others than are people in a neutral state (Isen and Levin 1972). Similarly, people who are asked to recall a sad event are more likely to volunteer to help others than are people in a neutral state (Manucia, Baumann and Cialdini 1984). Therefore, the prediction for how sunshine might influence giving is not clear. Prior works suggest that donations may increase with sunnier weather because sunny weather improves mood, while other prior works suggest that donations may decrease with sunnier weather because cloudy weather dampens mood. A curvilinear relationship in which both extremely sunny and extremely cloudy weather increase donations compared to average weather is also possible.
Here, we investigate two questions. First, does sunshine have a meaningful impact on charitable giving (and how large is that impact)? Second, if sunshine influences charitable giving, what type of influence does it have?

The dataset includes information for each U.S. contact made by a university phone fundraising team during 63 days in October-December of 2007 (N=5,224). Student fundraisers used standard university fundraising scripts throughout; they asked potential donors to update their contact information, thanked them for past support, told them about campus news, and finally requested a donation. Fifty-one percent of those answering donated nothing; forty-nine percent donated $1-$5,023 (of donations, Mean donation=$178.30, SD=$355.46, Median=$75). Dataset variables include call date, amount donated, contact’s zip code, graduation year, and gender.

Based on zip code, we collected weather data for the contact’s location on the call date and date before the call from Weather Underground (www.wunderground.com). Variables of interest included visibility distance and hourly cloud cover.

Linear regression models predicting amount donated based on clearness and visibility demonstrate robust effects. Controlling for gender, years since graduation (an age proxy), seasonal time trend (a “day” variable assigning each date a number, 1-63, corresponding with the day of data collection), and previous day clearness, we see that (completely) clear days as opposed to (completely) cloudy days are associated with an average $44.58 increase in donations per call ($44.58, t(3,990)=3.79, p<0.0005). Similarly, a regression using the visibility variable and analogous controls, reveals that a one mile increase in visibility is associated with an average $9.53 increase in donations per call ($9.53, t(3,982)=4.75, p<0.0005).

Including a variable controlling for weather at callers’ location did not significantly alter results, nor did including the first three digits of each contact’s zip code as a fixed-effects location control. Squared terms for clearness and visibility were not statistically significant (p’s>0.25), suggesting no curvilinear influence of sunshine on giving. Coefficients for previous day sunshine are negative suggesting that sunshine contrast is important. Holding today’s weather constant, it is easier to raise donation dollars today if yesterday was cloudy.

Logistic regressions in which the dependent variable indicated whether the potential donor donated or not showed no significant effects of clearness nor visibility. Thus, the effect seems to be that sunnier weather encourages people already giving to give more, not that sunnier weather encourages people who would give nothing to give something.

In sum, we see a robust and substantial positive effect of sunshine on charitable giving. The finding has important implications for fundraisers and donors, but also underscores the powerful influence of everyday environmental factors like weather on consequential decisions like in this case, decisions about giving resources to others.

“The Effect of Providing Peer Information on Retirement Savings Decisions”
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We report a field experiment evaluating a social norms marketing approach to influencing retirement savings decisions. Social norms marketing campaigns aim to encourage a behavior by informing individuals that the behavior is prevalent among their peers. We find some evidence that social norms marketing can increase savings rates, but our overall results suggest that social norms marketing may have limited power and can even produce boomerang effects.

Theoretical work suggests that an individual may mimic peers’ actions because those actions signal information that is unavailable to the individual yet relevant to her payoffs. Empirical work shows that peer effects have a large impact in a range of settings (Goldstein, et al. 2005; Schultz, et al. 2007; Cialdini, et al. 1990; Kallgren, et al. 2000; Cialdini, 2003). Our paper joins the line of work that asks whether peer effects can be used to encourage desirable behaviors.

Our experiment was conducted at a large manufacturing company and included all U.S. employees ages 20-69 who were eligible for, but not participating in, the company 401(k) plan (“non-participants”), or who were participating in the plan at a before-tax contribution rate less than both their employer match threshold and 6% (“low savers”). These employees received letters encouraging them to enroll in or increase their contribution rate in the 401(k) plan. By checking a box on the letter and returning it to the company, employees could begin contributing 6% of their pay to the plan.

We randomly assigned employees to receive one of three types of letters: (1) a letter containing no peer information; (2) a letter offering information about the aggregate savings decisions of coworkers in the recipient’s five-year age category (e.g., ages 25-29); or (3) a letter offering information about coworkers in the relevant ten-year age category (e.g., ages 20-29). For non-participating recipients in the peer information conditions, the letter stated the fraction of coworkers in the five-year or ten-year age category who were already enrolled in the plan. For low-saving recipients, the letter stated the fraction of plan participants in the five-year or ten-year age category who were already contributing at least 6% of pay. These peer information numbers were all greater than 70%.

We tracked contribution changes over two months following our mailing. We measured the effect of presence of peer information by comparing the extent to which employees in the peer information groups increased their contribution rates relative to the control group. We estimated the effect of magnitude of the peer information number that employees saw by exploiting: 1) variation generated by random assignment to different peer information as a result of differences in the 5-year and 10-year age categories and 2) age group boundary discontinuities.

Employees in our study naturally fell into four subpopulations: (1) unionized non-participants, (2) non-unionized non-participants, (3) unionized plan participants with low contribution rates, and (4) non-unionized plan participants with low contribution rates. We evaluate unionized employees separately from non-unionized employees because the latter were previously automatically enrolled in the retirement savings plan at a 6% contribution rate unless they opted out, while unionized employees were not subject to automatic enrollment. Prior research has found that automatic enrollment has a large impact on 401(k) enrollment, contribution rates, and asset allocations because employees often passively accept the default options (e.g., Madrian and Shea, 2001). Non-unionized employees who passively accepted the 6% contribution rate default did not receive letters. Therefore, among the four subpopulations who received a mailing, only unionized non-participants had never made an active 401(k) savings decision.

The effect of peer information in our experiment was mixed. Among non-unionized non-participants, exposure to peer information increased the likelihood of enrolling in the plan from 0.7% to 1%

1The match threshold, which is the minimum employee contribution rate at which an employee receives all available employer matching contributions, varied from employee to employee. For many employees (including all non-unionized employees), it was equal to 6%.
Among those non-unionized non-participants who received peer information, a one percent increase in the reported fraction of peer coworkers enrolled in the plan increased enrollment by 0.9 percent ($p<0.10$). However, the impact of peer information was reversed among unionized non-participants: the presence of peer information decreased the enrollment rate from 10.4% to 6.5% ($p<0.05$), and a one percent increase in the peer information number reduced enrollment by 1.8% ($p<0.05$). We find no statistically significant effects among either unionized or non-unionized participants with low contribution rates.

The negative response of unionized non-participants to peer information is somewhat surprising. This reaction is probably not due to learning that coworkers had a lower plan participation rate than expected, since the enrollment rate and contribution rate changes of unionized non-participants were also decreasing in the size of the peer information value they received.

“Spurious! Implicit Egotism in Marriage and Moving Decisions: Lessons for Consumer Research”

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Multiple papers demonstrate the notion of implicit egotism: people like things more if these remind them of themselves. People like their initials, the numbers of their birthday, brands that resemble their names, etc… (see e.g., Anseel and Duyck 2008; Brendl, Chattopadhyay, Pelham and Carvallo 2005; Chandler, Griffin and Sorensen 2008; Nelson and Simmons 2007; Nuttin 1985; Pelham, Carvallo and Jones, 2005).

Several papers have taken this notion of implicit egotism and assessed whether it matters for big decisions. Pelham, Mirenberg and Jones (2002) find that people are more likely than expected by chance to live in and move to streets, towns, and states that resemble their name, and to a town that contains a number from their birthday in their name (e.g., people born on February 2nd are disproportionately likely to live in “Two Oaks”). Jones, Pelham, Carvallo and Mirenberg (2004) find that people are disproportionately likely to marry others who share the initial of their last name, that share the exact same last name, and that have similar first names.

The current paper challenges the validity of all of the findings listed above. It does so by reanalyzing the same data sources used in the published articles and also looking at larger and cleaner sets. For every demonstration considered the name letter effect not only becomes statistically insignificant, it becomes very very close to zero. For example, for the first-name/marriage effect the original paper considers 12 names, 10 of which show a statistically significant effect. In my analyses, with a sample of 102,000 observations, none of the 12 names shows the effect and the average effect drops from $30\%$*** to $4\%$ ns.

Here is a subset of the confounds documented in the paper:

1) Living in a city similar to one’s last name: towns with names resembling last names (e.g. Smithville) are often founded by people with those last names. Smiths don’t move to Smithville, they name the town where they already live Smithville. I conducted the analyses on the 10 largest cities in the US, where such reverse causality is implausible, and found a very precise 0 effect for name letter (e.g., people named York are not more likely to live in New York City).

2) Marrying someone with a similar last name: A small share of brides change their last names to their soon-to-be husbands’ names before marriage. Using public records I document a large number of people marrying each other, then divorcing, then marrying each other again. In the second marriage the bride has the groom’s last name. Consistent with a measurement error explanation, I show that while exact last name matching are much more likely than would be expected by chance, very similar last names matching are not. E.g., a Gonzalez groom is twice as likely as would be expected by chance to marry a Gonzalez bride, but just as likely as expected by chance to marry a Gonzales bride.

3) Marrying someone with a similar first-name: Factors that influence the popularity of baby names (e.g., location, religion, fashionability of a given name over time, etc…) influence male and female versions of the name simultaneously. For example, the variation over time of the number of babies named Andrew and Andrea is $r=.99$. These factors influencing name popularity also influence who one marries (e.g., people marry others born around the same birth year). I show that if one uses as control names other people who have similar distribution of spouse choices the effect drops to 0 (intuitively, if one compares Andrews to other male names that were popular at the same time Andrew was, the effect goes to 0).

ACR this year is focusing on big picture issues. This paper raises big picture issues with respect to conducting psychological research outside the lab. Consumer research in the field is often apologetic about the non-experimental nature of the research but it falls short of employing state of the art techniques to analyze the data properly. The present paper exemplifies the shortcomings of such an approach. Economists routinely obtain convincing results from field data; should we not demand the same from our consumer researchers?

The paper also exemplifies the folly of arguing that if a paper contains multiple studies which a single explanation can account for, then we should not worry about the multiple alternative explanations for each of the studies, as the former is more parsimonious. Among other problems, this argument ignores the degree of freedom the authors possess in choosing which studies to run and which results to publish. The convincingness of evidence should be assessed on a study by study basis. Implicit egotism is the only explanation simultaneously consistent with all the studies reviewed above, and yet it cannot convincingly explain a single one of them.

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2Two papers studying implicit egotism in real life decisions for small stakes are not affected by the confounds I discuss in the present paper, see (Chandler et al. 2008; Nelson and Simmons 2007).