Good Deeds, Risky Bids: Accessible Pro-Social Behavior Increases Monetary Risk Taking

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This research demonstrates that recollecting a pro-social behavior or expressing virtuous intent can influence monetary risk taking. Four studies demonstrate that both an accessible pro-social behavior and virtuous intent increase one’s sense of security, prompting riskier decisions. Together, we show that accessible pro-social behavior influences seemingly unrelated decision domains.

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EXTENDED ABSTRACT

Pro-social behavior is common. A rich literature explains why people act pro-socially (e.g., Boezeman & Ellemers, 2007; Erez, Mikulincer, Ijzendoorn, & Krounenberg, 2008), and documents positive consequences of pro-social behavior on well-being and health (Borgonovi, 2008; Post, 2005; Strahilevitz, 2011; Theis & Hewitt, 2001; Van Willigen, 2000). Recent evidence suggests accessible pro-social decisions transiently influence self-perceptions and consequently choice. Khan and Dhar (2006) find that in a hypothetical-choice task, choosing among volunteering options transiently boosts a positive self-concept, thereby “licensing” the choice of a self-indulgent option in a subsequent task. Mazar and Zhong (2010) find people act less altruistically after purchasing green products than after purchasing conventional products. The authors propose that by boosting a person’s moral self-concept, virtuous decisions “license” indulgence in self-interested and unethical behavior.

We suggest accessible pro-social behaviors may also increase risk taking. Specifically, we propose that in addition to making people feel virtuous, accessible pro-social behaviors may signal a safe environment (Mikulincer et al., 2001, and Mikulincer & Shaver, 2005, for evidence that people tend to volunteer when they feel secure), increase one’s feelings of interdependence (Borgonovi, 2008), prompt an optimistic outlook (Mellor, et al., 2008), and increase sense of control (Mellor, et al., 2008). We propose these outcomes either independently or jointly contribute to feelings of security, which, as we outline next, increase financial risk taking, presumably via a mechanism whereby decision makers gauge risk by how they feel at the time of choice (Loewenstein, Weber, Hsee, & Welch, 2001).

Hsee and Weber (1999) report the size of a person’s social network is positively correlated with one’s willingness to take financial risks. The authors suggest the network serves as a safety net should the risky financial decision fail. Mandel (2003) found that people primed to think about their friends and family increased their financial risk taking, acting as if they had a safety net. Last, Levav and Argo (2010) show that being lightly touched by another person increases one’s feelings of security, which mediates preference for risky financial decisions.

In light of these findings, we propose that accessible volunteering behavior increases feelings of security, which promotes risky decision making. We test our prediction in four studies. In each study, we assessed risk taking by asking participants to make 14 choices between sure payoffs and risky gambles. Studies 1a and 1b demonstrate that an accessible act of volunteering increases risky monetary decision making, the mediating role of sense of security, and that the volunteering effect is not contingent on just-world beliefs. Study 2 shows that expressing volunteering intent increases monetary risk taking in participants primed to feel insecure, but not in participants primed to feel secure. This finding demonstrates the moderating role of feelings of security. Finally, study 3 shows the effect of volunteering intent on risky decision making can be eliminated when the reason for volunteering is attributed to an external source.

Study 1a tested whether an accessible pro-social act increases monetary risk taking. Participants were asked either before or after they engaged in a purportedly unrelated monetary risk-taking task whether they had volunteered in the past six months. The monetary risk taking task consisted of making 14 hypothetical choices between a sure cash payoff and a risky gamble (Hsee and Weber 1999). Participants were told they would participate in a lottery and the four winners would receive payment according to their decision in a randomly selected choice out of the 14. We also measured sense of security. Supporting our prediction, accessible pro-social activity increased risk taking and sense of security mediated this effect. Study 1b replicated the initial effect, ruled out an alternative account, and showed the effect is not contingent on just-world beliefs.

Study 2 examined whether feelings of security moderate the effect of pro-social intent on risky monetary choices. Participants were randomly assigned to one of four conditions of a 2 (secure/insecure) x 2 (volunteering/control) between-subjects design. Participants completed three purportedly unrelated tasks; first, participants were primed to feel insecure or secure. Then, they either chose a community services or a chair. Finally, participants made the same 14 monetary choices as in Study 1. Consistent with our prediction expressing virtuous intent led to increased risk taking (relative to the control condition) in participants primed to feel insecure but not in participants primed to feel secure.

Study 3 examined whether attributing pro-social intent to an external source attenuates the effect of virtuous intent on risky decision making. As in Study 1, choices were consequential.

As we predicted, when people felt the decision to volunteer was not their own, they did not infer a benign environment and therefore were not more willing to take risks.

Four studies demonstrate a link between accessible volunteering behavior, feelings of security, and monetary risk taking. Importantly, in the introduction, we were careful to note that accessible volunteering may also increase monetary risk taking via a boost in optimism, sense of control, and positive mood (all of which may also contribute to feelings of security).

For example, although our manipulations did not produce significant mood changes, a stronger effect on mood may be experienced while volunteering, which could also increase monetary risk taking (Mano, 1994). Also, although individual differences in just-world beliefs did not moderate the effects of an accessible act of volunteering, both in Study 1b, priming just-world beliefs may have such a moderating effect.

In summary, our findings extend existing research on volunteering behavior and on risk taking. First, we demonstrate a relatively distant, and therefore seemingly unrelated, consequence of accessible volunteering behavior and intent, and second, we document yet another factor that can transiently influence risk-taking preferences. Critically, we demonstrate that an accessible act of volunteering increases feelings of security, which increase the willingness to choose risky options.

REFERENCES


