

On March 2006 we held the Fourth Minerva Workshop. The topic was "A Special Minerva Workshop on Decisions Making" and the meeting took place at Room 527, Bloomfield building, Faculty of Industrial Engineering, Technion

Below is the program of the Workshop and the abstracts of the talks:

The Minerva Workshop Series

A Special Minerva Workshop on Decisions Making

Monday, March 20, 17:30-19:15

A round table discussion of the value of qualitative and quantitative models behavior

Participants:

[Eric J. Johnson](#) (Marketing, Columbia University).

[Elke U. Weber](#) (Psychology and Management, Columbia University).

[Eldad Yechiam](#) (Industrial Engineering and Management, Technion).

[Ido Erev](#) (Industrial Engineering and Management, Technion).

Wednesday, March 22, 10:30-11:45

Aspects of Endowment: A Query Theory Account of Loss Aversion

[Eric J. Johnson](#) (Marketing, Columbia University)

Abstract

How do people judge the monetary value of simple objects? One clue is provided by the typical endowment study (Kahneman, Knetsch, & Thaler, 1991), where some participants are randomly given a good such as a coffee mug and others are given a choice between the mug and various amounts of cash. Those given the good typically demand at least twice as much to give it up as do those given the choice, a prediction inconsistent with economic theory. This result is usually explained by loss aversion, the observation that losses have twice the impact upon choices as equivalent gains.

We provide a memory-based account of this phenomenon, suggesting that people construct values by posing a series of queries whose order differs for sellers and choosers.

Because of output interference, these queries may reveal different aspects of the object and the medium of exchange, resulting in different valuations. We show that the content and structure of the aspects considered depends upon whether one is selling or choosing, and that these aspects help predict the effect of ownership on valuations. We also demonstrate that merely altering the order in which queries are posed can eliminate the endowment effect, and that changing query order can produce endowment-like effects without actual ownership.

Wednesday, March 22, 14:30-15:45

**Preference Construction and the Role of Memory: Explaining
Asymmetries in Intertemporal Choice**

[Elke U. Weber](#) (Psychology and Management, Columbia University)

Abstract:

When asked to delay consumption, people are impatient and discount future rewards. Their willingness to accelerate consumption reflects far less discounting. In this talk, I provide a constructive-memory explanation for this puzzling asymmetry in discounting and report the results of two experiments. In Experiment 1, where respondents' task was to either accelerate or delay receipt of an Amazon gift certificate, assigned task influenced the order in which memory was queried for support of immediate vs. delayed receipt. Query order affected the balance of thoughts supporting patient vs. impatient action, as the result of memory interference. Relative frequency and clustering of impatient thoughts predicted discounting in both task conditions and mediated the asymmetry of discounting. Experiment 2 provides additional evidence for the causal role of query order. When respondents were sequentially prompted to provide support for immediate vs. delayed receipt in the natural task order, we replicated the normal discounting asymmetry. Reversing the natural query order reduced the difference in discounting to nonsignificance.