

# The Interdisciplinary Science of Consumption



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**Welcome to the First Annual Michigan Meeting 2010**

## **The Interdisciplinary Science of Consumption: Mechanisms of Allocating Resources Across Disciplines**

**May 12-15, 2010  
Ann Arbor, MI, USA**

**You should find all the information you'll need in this package. The package contains the conference schedule, titles and abstracts, and directions to conference events.**

**If you have questions, additional information and updates can be found at:**

**<http://consumption.umich.edu/MM10>**

**Feel free to contact Stephanie Preston ([prestos@umich.edu](mailto:prestos@umich.edu) or 734-355-1580), or Sue Schaefer ([schaefer@umich.edu](mailto:schaefer@umich.edu) or 734-647-2649) with additional questions or concerns.**

**The first conference event is the opening reception in the Assembly Hall of Rackham Building on the 4<sup>th</sup> floor at 4:30pm on Thursday, May 12. The registration table will be open after 3:30pm in the same room.**

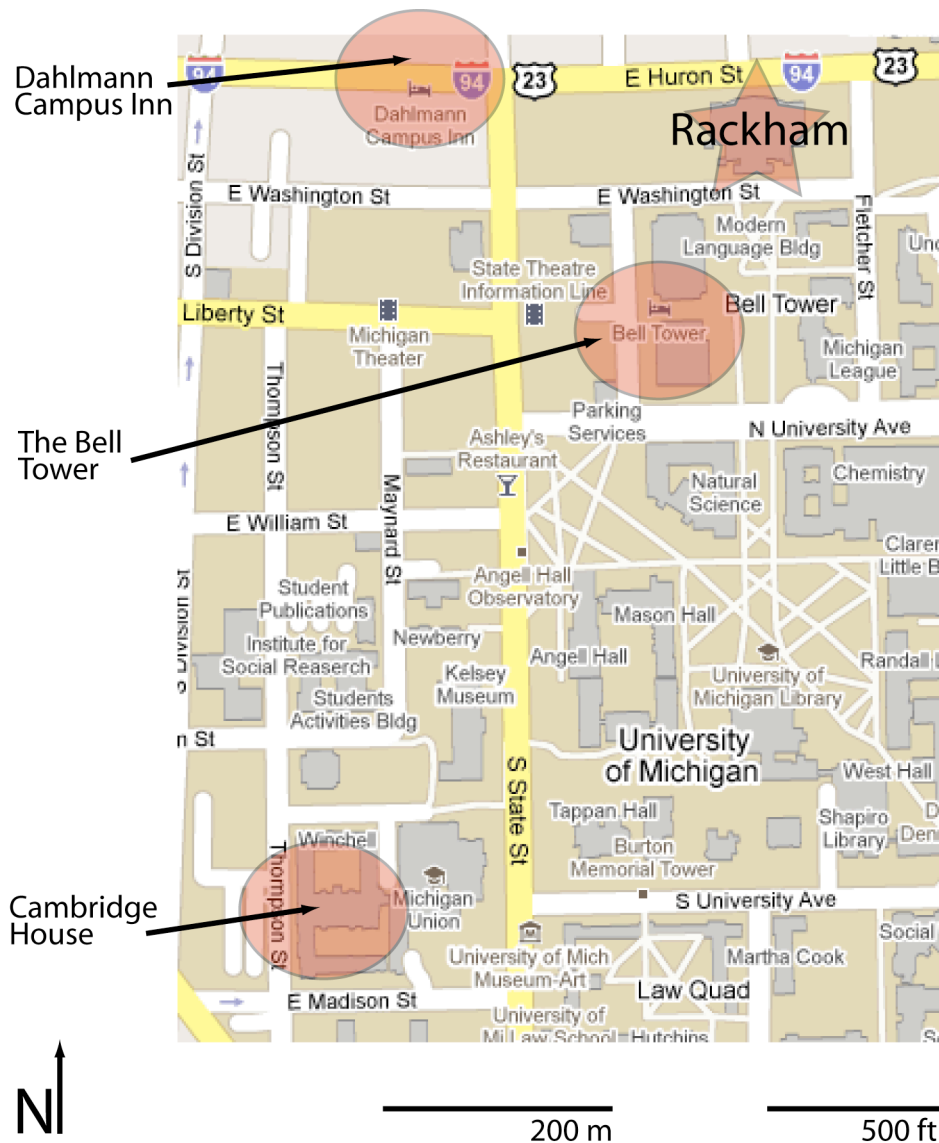
**See you there!**

# The Interdisciplinary Science of Consumption



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**All Conference Presentations will be held in the Rackham Building at 910 E. Washington St.**



**Rackham is only a few blocks from the Campus Inn, The Bell Tower, and Cambridge House accommodations.**

# The Interdisciplinary Science of Consumption



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**MAY 12-15 2010**  
**University of Michigan**  
**Ann Arbor, MI USA**

## FULL SCHEDULE OF EVENTS

For full titles and abstracts of the all-plenary registration portion, visit  
<http://consumption.umich.edu/MM10/fulltitlesabstractsindex.html>

### **Wednesday, May 12th** **Welcome, Opening Lecture**

Time	Event	Location
3:30 PM	Arrivals, check in, registration table open	Assembly Hall
4:30 PM	Light refreshments available	Assembly Hall
5:15-5:20 PM	Introductions (Stephanie Preston, John Mitani)	Rackham Auditorium on the first floor
5:15-6:30 PM	Public Lecture by Frans de Waal: <i>Monkey Business: Cooperation and Fairness in Primates</i>	Rackham Auditorium on the first floor
6:30-7:00 PM	Book Signing by Frans de Waal	Main atrium of Rackham, on the first floor
7:00-9:00 PM	Private Speaker Dinner	East Conference Room

## Thursday, May 13th

### Day one of the all-plenary meeting for registered participants

All registration-only conference activities will take place in Rackham Building on the 4th floor. The all-plenary talk sessions will be in the Amphitheater and all food will be served in Assembly Hall (with overflow dining in the East conference room).

Time	Event
8:00-9:00 AM	<i>Continental Breakfast</i>
9:00-9:45 AM	Antoine Bechara: <i>The hidden island of addiction: The insula</i>
9:45-10:30 AM	Terry Robinson: <i>Individual variation in the ability of reward cues to instigate desire (and consumption)</i>
10:30-10:50 AM	<i>Morning break</i>
10:50-11:35 AM	Brian Knutson: <i>The affective core of acquisition</i>
11:35-12:05 PM	Morning Discussion (Discussants: Stephanie Carpenter, Brian Vickers)
12:05-1:30 PM	<i>Lunch</i>
1:30-2:15 PM	Bruce J. Ellis: <i>Life history, resource allocation, and consumption</i>
2:15-3:00 PM	David Sherry: <i>Decisions, memory, and neural adaptation in food-storing birds</i>
3:00-3:20 PM	<i>Afternoon Break</i>
3:20-4:05 PM	Randy Frost: <i>Buried in treasures</i>
4:05-4:35 PM	Afternoon Discussion (Discussant: Kiara Timpano)
4:35-5:45 PM	<i>Wine and Cheese Reception (bring your drink tickets)</i>

### Evening Lecture (open to public)

6:00-6:05 PM	Introductions (Stephanie Preston, Randy Nesse)
6:05-7:15 PM	Public Lecture by Robert Frank: <i>Consumption as pollution: Why other people's spending matters</i> (overflow accommodations in the East Conference room with a live video feed)
7:15-7:45 PM	Book Signing by Robert Frank
7:30-10:00 PM	<i>Private Dinner at the home of Stephanie Preston (Invitation Only)</i>

## Friday, May 14th

### Day two of the all-plenary meeting for registered participants

All registration-only conference activities will take place in Rackham Building on the 4th floor. The all-plenary talk sessions will be in the Ampitheater and all food will be served in Assembly Hall (with overflow dining in the East conference room).

Time	Event
8:00-9:00 AM	<i>Continental Breakfast</i>
9:00-9:45 AM	Paul Webley: <i>Children's saving: The development of deferred consumption?</i>
9:45-10:30 AM	Stephen Lea: <i>Explaining life-time decisions: Hyperbolic discounting, mental time travel, and the use and abuse of credit</i>
10:30-10:50 AM	<i>Morning Break</i>
10:50-11:35 AM	Stephanie D. Preston: <i>The proximate mechanisms of resource hoarding: From squirrels to shoppers</i>
11:35-12:05 PM	Morning Discussion (Discussant: Peter Todd)
12:05-1:30 PM	<i>Lunch</i>
1:30-2:15 PM	Kathleen Vohs: <i>Overcoming unwanted impulses across domains depletes a common resource</i>
2:15-3:00 PM	Geoffrey Miller: <i>Conspicuous consumption as trait-display: How human instincts for displaying intelligence, personality, and moral virtue influence consumers</i>
3:00-3:20 PM	<i>Afternoon Break</i>
3:20-4:05 PM	Vladas Griskevicius: <i>Evolution, life history theory, and consumer behavior: Influences of current and childhood environment on financial risk</i>
4:05-4:35 PM	Afternoon Discussion (Discussant: Rob Smith)

There is no arranged dinner on Friday - speakers and attendees may sample the flavors of Ann Arbor, [visit our AA page](#) for a map of downtown.

**Saturday, May 15th**

## CONSUMPTION FAIR

**(open to the public) 9:45 AM - 3:00 PM**

We encourage academics and families alike to join us for this exciting opportunity to learn about research, theory, and practical solutions to problems of consumption. Events include a panel discussion on human solutions for sustainable energy, a student poster session, and activity stations from student and campus groups with interactive displays for people of all ages.

All events are on the 4th floor of the Rackham Building (915 E. Washington St., Ann Arbor, MI 48109).

9:00 AM Building open for students to put up posters or to set up displays (Assembly Hall).

9:45-11:00 AM *Light refreshments available* (Assembly Hall alcove)

10:00-11:00 AM Student Poster Session (Assembly Hall)

11:00-12:30 PM Panel Discussion (Amphitheater):  
*The Human Side of Energy Conservation: It's Not Easy Being Green*  
(<http://www.carss.umich.edu/events/>)

Interactive Displays and Activity Stations (East and West Conference Rooms), including:

- Interactive, educational stations from the **Ann Arbor Hands On Museum**
- Relay race to understand the new recycling rules in Ann Arbor (as of July 5th)
- Craft table employing reused craft supplies from **The Scrap Box** in Ann Arbor
- Display of alternative wind energy
- Displays from Planet Blue on sustainable lighting, transportation, and recycling
- Slideshow of sustainable architecture
- Display of heat loss using through a home door using infrared cameras from Environment House
- Trivia game with prizes on sustainable food choices

3:00 PM All posters and displays should be taken down.

This conference was funded by **Rackham Graduate School**, **The Department of Psychology**, and **CARSS** at the University of Michigan.

For more information contact Stephanie D. Preston at [prestos@umich.edu](mailto:prestos@umich.edu) or at 734-355-1580 or Sue Schaefer at [schaefer@umich.edu](mailto:schaefer@umich.edu) or at 734-647-2649

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## PLENARY SESSION - TITLES AND ABSTRACTS

Below are the full titles and abstracts for the all-pleenary talks to be held in Rackham Amphitheater on the 4th floor (registration required).

### Thursday, May 13th

#### Antoine Bechara

USC Neuroscience & Department of Psychology  
University of Southern California

**Title:** *The hidden island of addiction: The insula*

**Abstract:** I will argue that impulse control disorders, including addiction, are the product of an imbalance between two separate, but interacting, neural systems: (1) an impulsive, amygdala-striatum dependent, neural system that promotes automatic and habitual behaviors; and (2) a reflective, prefrontal cortex dependent, neural system for decision-making, forecasting the future consequences of a behavior, and inhibitory control. The reflective system controls the impulsive system via several mechanisms. However, this control is not absolute; hyperactivity within the impulsive system can override the reflective system. While most prior research has focused on the impulsive system (especially the ventral striatum and its mesolimbic dopamine projection) in promoting the motivation and drive to seek drugs, or on the reflective system (prefrontal cortex) and its mechanisms for decision-making and impulse control, more recent evidence suggests that a largely overlooked structure, namely the insula, plays a key role in maintaining poor impulse control, including addiction. This presentation highlights the potential functional role the insula plays in addiction. I propose that the insula translates bottom-up, interoceptive signals into what subjectively may be experienced as an urge or craving, which in turn potentiate the activity of the impulsive system, and/or weaken or hijack the goal-driven cognitive resources that are needed for the normal operation of the reflective system.

#### Terry E. Robinson, Ph.D.

Elliot S. Valenstein Collegiate Professor of Behavioural Neuroscience  
Professor of Psychology and Neuroscience  
Department of Psychology (Biopsychology Program)  
The University of Michigan

**Title:** *Individual Variation in the Ability of Reward Cues to Instigate Desire (and Consumption)*

**Abstract:** Cues associated with rewards, such as food or drugs, can acquire considerable control over behavior, for example, instigating actions to obtain the reward. There is, however, large individual variation in the motivational properties of reward cues, and the extent to which they can be resisted. This presentation will address the implications of individual differences in cue-evoked motivational processes and in cognitive control in the development of impulse control disorders, including addiction, and possible neurobiological substrates.

**Brian Knutson**

Psychology and Neuroscience

Stanford University

**Title:** *The affective core of acquisition*

**Abstract:** Can affect influence choice? Neuroimaging innovations now allow scientists to peer deep into the brain seconds before people choose. Emerging findings suggest that neural activity associated with anticipatory affect (i.e., affect aroused during the anticipation of good or bad outcomes) predicts eventual choice. Specifically, consideration of attractive products increases activity in a region associated with anticipation of gains (the nucleus accumbens / NAcc), which precedes eventual decisions to purchase. On the other hand, consideration of excessive prices increases activity in a region associated with the anticipation of losses (the anterior insula) and decreases activity in a region associated with balancing costs and benefits (the medial prefrontal cortex), which precede eventual decisions not to purchase. Further, activity in regions associated with loss anticipation (the anterior insula) during exposure to attractive products foreshadow individuals' susceptibility to the "endowment effect" (or tendency to overvalue products they own). Finally, manipulating the salience of prices and products influences activity in these regions in ways that may alter specific aspects of valuation. These findings imply that anticipatory affect can influence both rational and irrational choice, and so may inform more inclusive and realistic theories of how people choose.

**Bruce J. Ellis, Ph.D.**

Professor of Family Studies and Human Development

John &amp; Doris Norton Endowed Chair in Fathers, Parenting, and Families

The University of Arizona

Norton School of Family and Consumer Sciences

**Title:** *Life history, Resource Allocation, and Consumption*

**Abstract:** Puberty represents the transition from pre-reproductive to reproductive phase of the human lifespan. According to life history theory, this transition involves massive reallocation of resources from somatic to reproductive effort. In this talk I will discuss the nature of this transition, development of sex differences in reproductive strategies at puberty, and their implications for consumer behavior.

**David Sherry**

Department of Psychology

The University of Western Ontario

**Title:** Decisions, memory, and neural adaptation in food-storing birds

**Abstract:** Several groups of birds including chickadees, jays, and woodpeckers store food for later consumption. Their behavior varies in the spatial distribution of caches and in how long caches are left in place before retrieval. A number of models have analyzed the decision to store food. The abundance and variability of food, the cost of carrying energy reserves as fat, time of day, and the risk of starvation all influence birds' food storing choices. Food storing behaviour can also have a major influence on the social organization of birds. Food-storing birds show a number of evolutionary specializations for a food-storing way of life including morphological adaptations for transporting food and changes in brain areas that play a role in remembering the spatial location of caches. The hippocampus in particular shows adaptations such as an increase in overall size and a seasonal pattern of neurogenesis not found in non-storing species.



**Randy O. Frost, Ph.D.**

Harold & Elsa Israel Professor  
 Department of Psychology  
 Smith College

**Title:** *Buried In Treasures: Understanding Compulsive Hoarding*

**Abstract:** Compulsive hoarding involves the excessive acquisition of and difficulty discarding or disposing of possessions together with the inability to keep them organized. The resulting clutter prevents living spaces from being used in intended ways and creates significant distress and/or impairment in functioning. Compulsive hoarding has been widely considered to be a form of obsessive compulsive disorder (OCD), but recent evidence has challenged this classification. Findings from a recent study of over 200 well-defined hoarding cases indicates that depression, generalized anxiety disorder, and social phobia are more common in hoarding than is OCD. A cognitive behavioral model of compulsive hoarding suggests that it involves a combination of information processing deficits, emotional attachments to and beliefs about possessions, as well as both positively and negatively reinforced behaviors. Until recently, little research existed on the nature and phenomenology of hoarding. This talk will review what is known about hoarding in humans. Findings from recent studies of the features, course, seriousness, and co-morbidity will be described. In addition, the recommendation for inclusion of hoarding as a diagnostic classification in the next edition of DSM will be reviewed. Findings from a recent wait-list controlled trial of cognitive behavior therapy for hoarding will also be presented.

**Friday, May 14th****Paul Webley**

Director and Principal, School of Oriental and African Studies  
 Professor of Economic Psychology, University of London  
 Visiting Professor, School of Psychology, University of Exeter

**Title:** *Children's saving: the development of deferred consumption?*

**Abstract:** This paper describes two strands of work on children's saving: one which focuses on the individual and the other on the issue of how orientation to the economic world (and in particular a tendency to save) is transmitted across generations. A number of experimental studies of children's saving are described, which use a variety of set-ups (board games, play economy). These studies show that by age 6, children have learnt that saving, self-control, and patience are virtuous, but they do not like it very much nor do they save very well. Most 9-year olds and all 12 year olds show a functional understanding of saving. They knew what saving is for and they know how to do it, but they have also developed other strategies for dealing with their future consumption. Intergenerational transmission of economic orientation was investigated using Dutch and British panel data, and a questionnaire study of grandparents, parents and adolescents. These studies showed stronger relationships between the saving and consumption dispositions of the mother and their child than between the father and the child. The relationships between parenting styles and the children's orientation to economic life were strong, whereas there were weak or no relationships between specific parenting practices and the children's economic behaviour. The relevance of this work to a general approach to consumption is considered. The development of saving and consumption both involve (i) learning what is valued (ii) learning strategies, approaches and techniques & establishing habits (iii) acquiring self-knowledge. The relevance of the societal context (the long term shift from a pseudo-morality of thrift to a sustainability ethic) is discussed.

**Stephen E. G. Lea**

School of Psychology

University of Exeter

**Title:** *Explaining life-time decisions: Hyperbolic discounting, mental time travel, and the use and abuse of credit*

**Abstract:** One of the most influential ideas that has entered behavioural economics from psychology has been “hyperbolic discounting”. I will consider how useful it is in understanding major life-time economic choices, such as saving, pension provision or credit use, with a particular focus on consumer debt. The concept of hyperbolic discounting derives from laboratory experiments on intertemporal choice in pigeons, and theoretical work on instrumental conditioning accounts of choice. Because operant conditioning works in the same way in humans as in other animals, we can expect that humans will show hyperbolic discounting over short delays when choices are made without conscious thought. Much economic behaviour falls into this category. However, human instrumental behaviour can be governed by deliberative choice as well as by operant conditioning, and sometimes the two processes predict different results. It is a substantial extrapolation to use hyperbolic discounting to predict long-term deliberative decisions such as those about using credit. I will argue that to understand such long-term choices we need to invoke the concept of “mental time travel”. This capacity, perhaps uniquely human, enables us to recall past events and envisage future events, but it is not clear how far it enables us to compare the value of events at different future times. Hyperbolic discounting may have a role to play in such comparisons, but will not necessarily predict their outcomes directly.

**Stephanie D. Preston**

Department of Psychology

University of Michigan

**Title:** *The proximate mechanisms of resource hoarding: From squirrels to shoppers*

**Abstract:** Research across species and domains suggests a common proximate mechanism for making decisions about resources. Prior experiments on food storing in rodents, as well as human studies of compulsive hoarding, shopping, and gambling implicates the mesolimbocortical system, particularly the nucleus accumbens (NAcc) and orbital frontal cortex (OFC). Our own work confirms that this system is implicated in decisions to acquire *as well as* discard material goods, whether for personal use or monetary profit--suggesting that this system is more generally engaged by consumption decisions regardless of the frame. However, the degree of engagement of various regions does shift with the frame of the decision, as does the type of items subjects prefer. Demonstrating for the first time that animal and human hoarding are related by more than just a metaphor, the degree of NAcc activation in our task also scales with participants' trait tendencies for compulsive hoarding (particularly trouble parting with goods for emotional reasons). Additional work in our lab confirms that acquisitive tendencies are normally distributed in the population and are particularly associated with underlying differences in anxiety. However, the role of anxiety is extremely complex as only a particular type of anxiety appears to be involved, which overlaps strongly with, but is dissociable from, obsessive-compulsive tendencies. New experimental work in our lab suggests that anxiety associated with attachment avoidance contributes particularly strongly to acquisitiveness, consistent with our developing ultimate view of resource hoarding in primate societies.

**Kathleen D. Vohs**

Carlson School of Management  
University of Minnesota

**Title:** *Overcoming unwanted impulses across domains depletes a common resource*

**Abstract:** People engage in multiple acts of self-control every day. Those that are unsuccessful are due to the failings of one or more ingredients for good self-control; our approach focuses on a lack of self-regulatory strength as one major reason for self-control failure. The strength, or limited-resource, model of self-control depicts the ability to modify or alter the self's responses as governed by a set of finite resources. These resources become depleted with use, which renders the person vulnerable to failures of self-control. Therefore, after engaging in self-control, people are less successful at subsequent acts of self-control. Research testing the strength model has shown robust support for it in the domains of eating, drinking, spending, sexuality, intelligent thought, making choices, and interpersonal behavior.

**Geoffrey Miller**

Department of Psychology  
The University of New Mexico

**Title:** *Conspicuous consumption as trait-display: How human instincts for displaying intelligence, personality, and moral virtue influence consumers*

**Abstract:** Most animal species, including humans, have evolved various traits for showing off to others. These 'fitness indicators' display the individual's genetic quality, physical condition, and behavioral competence, to attract interest from mates, kin, and allies, and to deter sexual rivals and predators. Some fitness indicators are physical ornaments such as the peacock's tail, but many are mental capacities, such as bird song, or human language, creativity, humor, art, music, and morality. These mental traits evolved not just for survival benefits, but because prehistoric men and women both favored them as reliable signals of good genes and good brains, based on the logic of costly signaling theory. In this talk I'll focus on how modern consumers show strong unconscious instincts to display not just wealth, status, and taste, but deeper, more universal mental traits such as general intelligence and the 'Big Five' personality traits (openness, conscientiousness, extraversion, agreeableness, and emotional stability). These six traits are fundamental to consumer identity, sexuality, and sociality, but are under-appreciated in models of consumer resource-allocation decisions that overlook costly signaling effects, positional goods, and conspicuous consumption. The nature of human trait-display is now being shaped mainly by the culture of marketing, and the more clearly we understand this, the more leverage we have for improving society.

**Vladas Griskevicius**

University of Minnesota  
Carlson School of Management

**Title:** *Evolution, Life History Theory, and Consumer Behavior: Influences of Current and Childhood Environment on Financial Risk*

**Abstract:** We live in a world of known unknowns. From unpredictable terrorist attacks, to global economic turmoil, to the erratic spread of infectious diseases, many people feel that modern life is more uncertain than ever. Does this sense of capricious fate influence financial decisions? For example, does uncertainty lead people to save money for the future or to spend it all now? Integrating psychology and consumer behavior with the evolutionary framework of Life History Theory, I examined

how uncertainty influenced financial decisions regarding long-term investment vs. immediate payoffs. Findings from a series of experiments showed that the influence of environmental uncertainty depended on a second critical factor: individuals' childhood socioeconomic status. For individuals who grew up wealthy, uncertainty increased long-term investment and saving for the future. Conversely, for individuals who grew up poor, uncertainty decreased saving, producing a desire to go into financial debt to spend money now. This research shows that life-history strategies—including financial allocation decisions regarding long-term investment vs. immediate payoffs—shift as a function of unpredictability in the current environment.

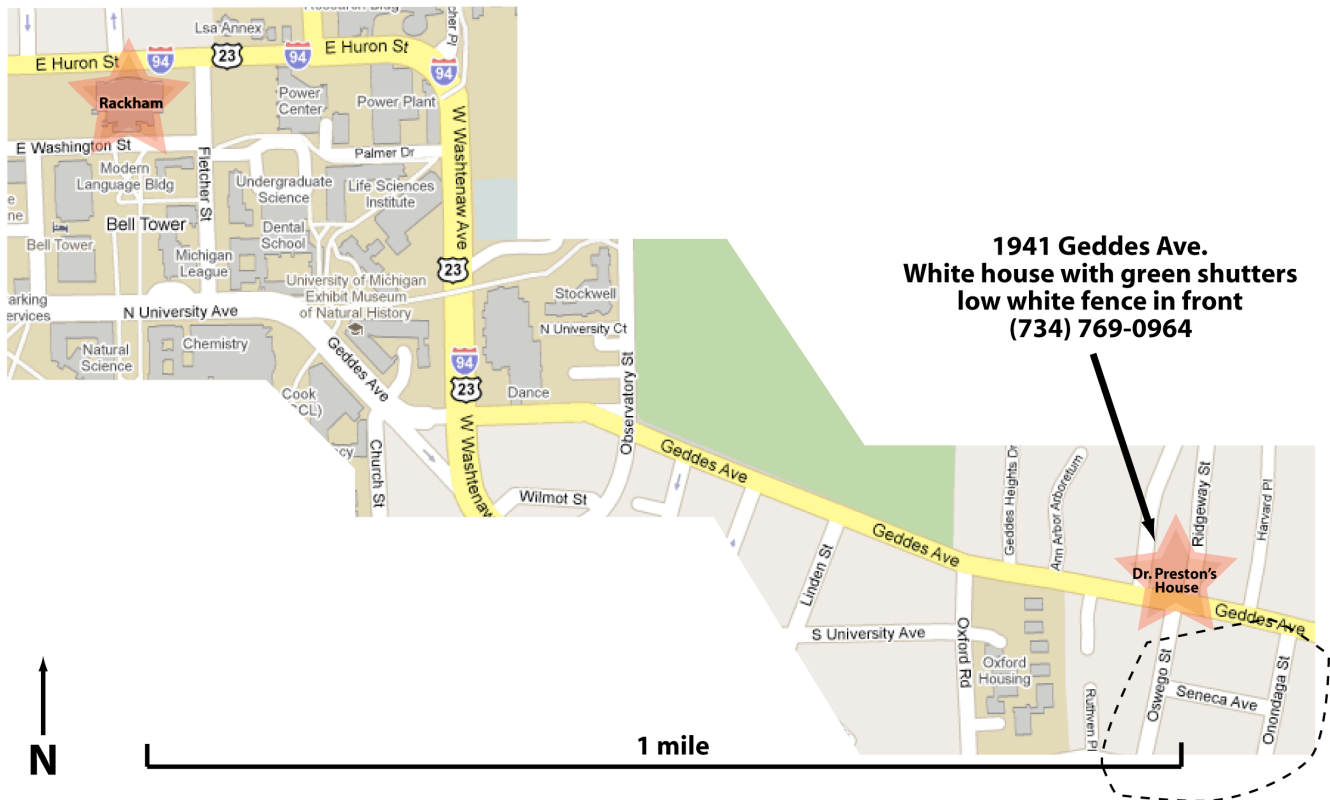
# The Interdisciplinary Science of Consumption



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**Thursday, May 13  
7:30 – 10:00pm**

**Private dinner at the home of  
Dr. Stephanie Preston**



**Dr. Preston's house is a one-mile walk east of Rackham Auditorium. For those who want a ride (or especially in inclement weather), Rob Smith will also have a van to take speakers back and forth, leaving from the front of Rackham at 7:30pm and returning to the hotel around 10:15pm.**

**Note that there is construction on N. University just outside of the Museum of Natural History, but so far pedestrians can pass through there.**

**Visitors with cars may find limited on-street parking across from our house (see dotted region above), or on side streets off of Geddes Ave, just east of our house on the same side (Harvard, Highland, Concord, etc.).**

**Drinks and appetizers will be served from 7:30 to 8:00 (allowing Dr. Frank time to arrive from his book signing) and the buffet dinner will begin at 8.**

# The Interdisciplinary Science of Consumption



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## STUDENT POSTER SESSION - TITLES AND ABSTRACTS

Below are the full titles and abstracts for the student poster session, to be held in Assembly Hall on the 4th floor of Rackham on Saturday, May 15<sup>th</sup> from 10-11am (open to the public).

### Saturday, May 15th

#### ***Spending Money in Pursuit of Happiness: To Have, To Do, or To Share?***

**Peter A. Caprariello & Harry T. Reis**

**University of Rochester**

How can money be used to enhance one's own happiness? Recent studies have addressed this question. Van Boven and Gilovich (2003) showed that spending money on experiences makes people happier than spending money on material possessions. We propose that an artifact in this effect is whether the experience includes another person. Dunn, Aknin, & Norton (2008) showed that spending money prosocially makes people happier than spending money on themselves. Therefore, the present research tested whether spending money on experiences makes people happy because many people's experiences naturally include others. Hence, the social component of many experiences (e.g., vacationing with others versus vacationing alone) may render them better able to make people happy, relative to material possessions. Furthermore, we predict that experiences with others make people happier than experiences alone. A series of experiments supported these predictions. Experiment 1 showed that when deciding between hypothetical experiences alone or with others, people chose and said they would be made happier by social experiences. Moreover, when deciding between material objects and solitary experiences, participants in Study 2 chose and said they would be made happier by material objects than by experiences alone. The same pattern of preferences was confirmed in a large sample of German respondents who considered actual past purchases (rather than hypothetical purchases). In short, taking into account the relationship context of experiences appears to be key to predicting what kind of monetary purchases best lead to happiness.

#### ***Positive Feelings Facilitate Working Memory and Complex Decision Making Among Older Adults***

**Stephanie M. Carpenter, Ellen Peters, Alice M. Isen, and Daniel Västfjäll**

**University of Michigan, Decision Research, & Cornell University**

Older adults (n=46; aged 63-85) participated in an experiment assessing the influence of feelings on decision making. Positive-feeling subjects received a gift of candy; the rest received no gift. All subjects completed a computer-based card task. In the background, positive-feeling subjects saw smiling suns; neutral-feeling subjects saw control circles. All completed several tasks measuring cognitive performance. Results indicated that positive feelings were related to choosing better, and this effect was mediated by an increase in working memory (WM) in the positive-feeling condition. A follow-up study using a subset of the original sample indicated that without a positive-feeling induction, WM decreased.

***Finding the Apple of My Eye: Categorization Effects on Satisfaction from Hedonic vs. Utilitarian Consumption***

**Eugene Y. Chan and Andrew Mitchell**

**Rotman School of Management, University of Toronto**

The categorization of choice sets often allows for the matching of preferences, thereby increasing outcome satisfaction, reducing satiation, boosting consumption level, and driving in-store traffic. In the present study, we examine the effects of categorization on consumers' satisfaction from making hedonic versus utilitarian choices. We find that participants who hypothetically purchase a cup of coffee for hedonic (vs. utilitarian) purposes indicate more reasons for their purchase, and thus are willing to pay more money when they make their choice from a menu of 30 blends under six than no categories, supporting our prediction that categorization would lead to greater satisfaction from hedonic (vs. utilitarian) consumption. These findings suggest that the structure of choice sets influences satisfaction from hedonic but not utilitarian consumption, offering new perspectives on the benefits of categorization of particular consumer goods in today's marketplace.

***Life History Strategy Affects Financial Planning, Economic Display, and Financial Distress***

**William J. Chopik & Daniel J. Kruger**

**University of Michigan**

Life history theory is a powerful framework for examining variation in behavioral strategies, integrating evolutionary, ecological, and socio-developmental perspectives. Individuals who develop in relatively harsh and unpredictable environments may develop riskier behavioral strategies to take advantage of possibly fleeting opportunities. Figueredo and colleagues developed the 20-item Mini-K Short Form of the Arizona Life History Battery (ALHB) to assess the common factor believed to underlie a multiplicity of human life history parameters. We used a demographically representative sample from a community health survey to assess relationships between the Mini-K and financial strategies. Those with a slower life history scored higher on conservative financial planning, building long-term savings rather than maximizing current economic display. Those with a slower life history also scored lower on a scale of worries about financial distress. These relationships were maintained when controlling for age as well as educational attainment and income range, which are also arguably attributes related to life history strategy.

***Reference Effects as Unconscious Processes Guiding Human Food Consumption*****Leonie Cramer****Cognitive Science Program, ABC-West Lab, Indiana University, Bloomington; Economics of Consumers and Households group, Wageningen University, the Netherlands**

Difficulties in adapting food consumption choices to today's abundant food supply may stem from the dual function of food products providing both sustenance and pleasure, requiring balance to prevent diseases from not just nutrient deficiencies but also nutrient excesses. A distinction can also be made between reasoned preferences as 'shoulds', relating to benefits in the long run, and affective preferences as 'wants' relating to immediate benefits which might harm consumers in the long run and therefore are often associated with not just pleasure but also guilt. Attempts to influence consumer food choices often rely on providing more information for conscious decision making, but this leaves out possibly more powerful evolved unconscious processes including reference effects, status quo bias and loss aversion. An experiment with 554 Dutch pupils showed a relatively strong loss aversion for evolutionarily novel hedonic food products compared to utilitarian food products. This status quo bias, adaptive in challenging and variable ancestral environments, may lead today to maintaining relatively unhealthy patterns of food consumption. However, if more is known about these unconscious processes it might be possible to influence people's reference points and therefore preferences to help people abandon unhealthy food habits.

***Financial Clarity: Tracking Spending Leads to Positive Financial & Well-being Outcomes*****Grant Donnelly and Ryan T. Howell****San Francisco State University**

Money is an area in which people commonly display a lack of self control (Vohs & Faber, 2007; Kellett & Bolton, 2009). Effective self-control depends on three major components: (1) standards, (2) a monitoring process, and (3) the operational capacity to alter one's behavior (Baumeister, 2002). The main goal of this study was to corroborate the relationship between monitoring financial behavior and financial outcomes. Past research suggests that individuals who track their spending save more and spend less (Oaten & Cheng, 2006). For the purposes of this study a financial clarity variable was created to assess participant's clarity and vagueness around their personal financial situation. A diverse national sample (N=1703) completed an online survey which measured their financial clarity, purchasing preferences, spending and saving behavior. Data suggest that financial clarity is correlated with life satisfaction, increased savings and financial security, and is associated with decreased instances of impulse buying, materialism, and psychological distress. Additionally, the results suggest that financial clarity significantly interacts with age, showing higher financial clarity related to more savings and investments later in life, and less debt accumulation throughout life. These results support the previous findings of the positive financial outcomes from tracking spending, and extends past work by more precisely indicating that age might be moderating the effect financial clarity has on economic behaviors.



***A Tale of Two Theories: Intertemporal Substitution vs. Income Targeting in an Experimental Work Task***

**Jesse Langstaff & Derek Koehler**  
**University of Waterloo**

Previous research suggests that, even when they form part of an interrelated sequence, people often make decisions one at a time, in isolation from one another. The resulting decisions are often suboptimal because the individual fails to adopt a broader, more integrative choice strategy that incorporates beneficial tradeoffs across the decision sequence. Few studies, however have attempted to analyze the underlying processes in an experimental setting. [PARA] We attempt to address this shortcoming by creating a simulated work environment where participants are tasked with allocating their available time between work and leisure. Work wages and performance feedback are manipulated and the resulting changes in intertemporal substitution between work and leisure are observed. Current results show that participants are behaving suboptimally; however, it does not appear that they are being as myopic or loss averse as prior field studies have suggested.

***Aligning Consumers Around the Low-Carbon Competitiveness: Effects of Incidental Guilt and Shame on Environmental Decision-Making***

**Julia Lee**  
**Harvard University**

This study identifies which affective and cognitive factors influence consumers' behavioral change with regard to environmental decisions. It hypothesizes that consumers who know their own carbon footprint to be higher than the national average are more likely to show higher measures of pro-environmental consumption behavioral predictors. It also hypothesizes that eliciting guilt prior to calculating carbon footprint is more effective in changing consumer behavior than eliciting shame. One hundred participants were recruited to take the online survey. Results suggest that higher willingness-to-pay and perceived self-efficacy measures were associated with individual's knowledge of higher-than-average carbon emissions and unrelated, incidental emotions that are given prior to information disclosure. Also, it suggests that consumers' environmental decisions may be misattributed, and informed by an individual's incidental emotional state. The study concludes with policy implications for communicating climate risks to consumers.

***Pick Your Poison: Uncovering the Mechanisms Behind the Planning Fallacy***

**Ester Moher**  
**University of Waterloo**

It has been well-documented that individuals often overestimate the speed at which tasks will be completed (Buehler, Griffin & Ross, 1997). This planning fallacy has been thought of as a combination of an optimistic bias (Byram, 1997) and ignorance of important procedural steps (Koehler & Tversky, 1994; Buehler, Peetz & Griffin, 2009). We compare several strategies of attenuating the planning fallacy, and discuss preliminary findings.

***Sweatshop Labor is Wrong Unless the Jeans are Cute: Motivated Moral Disengagement*****Neeru Paharia, Rohit Deshpande, & Kathleen Vohs****Harvard Business School & Carlson School of Management, University of Minnesota**

We examine whether people may be motivated to morally disengage (Bandura 1991, 1999) in the presence of harmful attributes such as sweatshop labor when desire for a product is high. We show that moral disengagement can be driven by affective desire for a product. Mechanisms of moral disengagement may allow consumers to perceive their desire for products made with sweatshop labor to be consistent with their moral standards (Tsang 2002) enabling them to avoid dissonance (Festinger 1957). In two studies, we demonstrate that levels of moral disengagement can be motivated by one's level of desire for a product made with sweatshop labor. Furthermore, we show a full mediated moderation (Muller, Judd, and Yzerbyt 2005) where beliefs about sweatshop labor use moderates the impact of desirability on purchase intention, and moral disengagement mediates this process. For high desirability products this mediated moderation leads to findings that one might not expect – when beliefs about sweatshop labor use are high, purchase intention actually increases. However, this effect does not hold for low desirability products. Thus, desire-driven moral disengagement can drive people to like products they believe to be made with sweatshop labor even more. As affective desire is nearly a ubiquitous feature of the human condition, desire-driven moral disengagement may broadly contribute towards the tolerance of harm in our social and economic systems.

***Patterns of Food Consumption Captured via Twitter*****Kate M. Sanders, Kevin M. Gardner, & Peter M. Todd****Indiana University**

In many environments, stimuli reoccur in certain patterns: If a stimulus reoccurs shortly after its first occurrence, the probability that it will occur again in a short time is higher than the probability that it will occur much later; contrariwise, if a stimulus reoccurs long after its previous appearance, then it will probably not happen again for a long time. Anderson and Schooler (1991) found that the structure of memory in certain domains reflects that environmental regularity: Clustered stimuli are forgotten faster and widely-spaced stimuli are remembered longer. This has been found for domains of words and of social encounters, where power laws describe forgetting and reencounter rates.

Does food experience work the same way? Are foods consumed in clusters or spaced out over longer, regular periods of time, or do these regularities not occur in the food environment? Preliminary data suggest memory for foods eaten falls off rapidly over a few days. To assess whether the probability of eating a particular food again after  $N$  days also rapidly declines, we are examining information from TweetWhatYouEat (TWYE), an online food diary for Twitter users. TWYE lets members send in records (tweets) of each food that they have eaten each day, which are then compiled into food diaries so that members can keep track of the foods and calories they consume.

Using members with at least 90 consecutive days' worth of food entries, we categorize their entries into broader or finer food types and then examine the patterns of food consumption (the clusters or longer intervals between consumptions of a particular food). We have found evidence for small clusters of repeated foods over time, much like other environmental events studied by Anderson and Schooler. Such patterns of food consumption can then be analyzed and compared to the memory and forgetting functions for food.

**Ethan Schoolman**  
**University of Michigan**  
*Abstract TBA*

***The Cost of Living: I Want and I Spend if My Neighbors are Wealthy***

**Jia Wei, Gary Zhang, and Ryan T. Howell**  
**San Francisco State University**

Past studies have examined the relationship between social comparison and materialism. For example, individuals who socially compare themselves with their friends and with media figures score higher on materialism. However, the traditional methods used to examine the impact of social comparison on materialism focus on individuals' subjective evaluations. The aim of this study is to determine the possible impact objective factors have on materialistic values and financial decisions. We predicted that contextual factors (i.e., the geographic socioeconomic status of one's zip code and the number of financial institutions within their zip code) may influence an individual's materialistic desires and financial decisions. A diverse sample of participants were recruited from various social networking sites (i.e., Craigslist, Facebook, etc) to participate in this study (n = 2702; living in 1,258 unique zip codes; female = 74%; European/white = 54%). Each participant completed the Material Values Scale (MVS; Richins, 1992, 2004) and reported their income, wealth, debt, and savings behavior as well as the zip code they currently live in. After adjusting for gender, age and individual SES, our regression model demonstrated that living in a zip code with more financial and banking institutions, a high per-capita income, and a low poverty rate increased one's materialistic values, impulsive buying behaviors, and decreased one's savings behaviors. Further, the nested path model developed from this data suggests that as financial development and geographic SES increase so does an individual's materialistic values; this increase in materialistic values then increases impulsive buying and decreases savings behaviors. Thus, even though increases in personal wealth are associated with decreased materialism and impulsive buying as well as more savings behaviors, living in increasingly wealthier zip codes produces the opposite effect on each variable. [PARA] The present evidence suggests that in addition to our comparisons within our social context (i.e., friends, co-workers, and classmates - which increase our materialistic values) a geographic context (i.e., neighborhood) may also have an impact on our desire for material goods and our financial decisions.

***Great Expectations: Exploring the Costs of Overly Optimistic Decisions on Future Behaviours***

**Amanda Wudarszewski & Derek Koehler**  
**University of Waterloo**

Previous research suggests that self-predictions are only modestly correlated with future behaviours (Griffin, Dunning & Ross, 1998). I will present behavioural data contributing to existing research that self-predictions are overly optimistic with respect to the actual probabilities of the future behaviours being carried out (Koehler & Poon, 2006). We employed a 2 (time delay: short vs. long) x 2 (payment option: low vs. high) x 3 (reminder: free reminder vs. no reminder vs. purchased reminder) between subjects design. In session 1, participants were prompted to make the decision of whether they would like to forego the initial payment for a chance to receive a larger incentive by completing a second questionnaire made available to complete after a certain amount of time delay. Our findings are in line with previous findings that self-predictions become more optimistic as the target behaviour becomes more distant in the future and that participants undervalue the effect that the reminder has on carrying out predicted behaviour.