

Title: Socio-economic status and risk-taking: cognitive, social and economic implications.

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Research question: Those born in a socio-economically disadvantaged family (eg., unemployed parents, uneducated parents, alcoholic or criminal parents, single parents) have much less chance of leading a healthy life, reach an adequate level of education, and have a good job (Evans, 2004). This topic has attracted the interest of scholars of social and economic sciences for years (Banerjee et al., 2015; Banerjee & Duflo, 2007). More recently it also attracted the attention of psychologists and neuroscientists (Katsnelson, 2015). In particular, psychologists have been interested in the effect of socioeconomic status on cognitive abilities (Hair, Hanson, Wolfe, & Pollak, 2015; Haushofer & Fehr, 2014) and neuroscientists, in the effect of socioeconomic status on brain development (Hackman & Farah, 2009). These studies indicate that low socioeconomic status is associated to minor cognitive ability (Mani, Mullainathan, Shafir, & Zhao, 2013; Spears, 2011). However, other studies showed that the poor are not less cognitively able but they are only victims of their own negative stereotype (they believe they are less good) that would reduce the mental resources at the expense of performance (Hall, Zhao, & Shafir, 2014; Haushofer & Fehr, 2014). Until now, very few scholars have examined the effect of socioeconomic status on decision-making and these few showed a puzzling picture: the poor seem even more rational than the rich (Hall, 2008; Shah, Shafir, & Mullainathan, 2015; Spears, 2013). However, no study examined decision-making under **risk** (and uncertainty), despite daily decisions are largely connoted by risk and uncertainty. The research questions from which the project should be developed are the following:

- Does the socio-economic status affects choices under risk?
- What is the nature and the origin of these effects?
- Is it possible to reduce the effect by means of targeted interventions?

The argument has important social and economic consequences because socio-economics disparity is still one of the most important problems in the world and because it has been noticed that people who are born in a socio-economically disadvantaged background are less able to get out of their state than those passing through it momentarily (Bowles, Durlauf, & Hoff, 2006).

The candidate profile: The successful applicant will have an undergraduate and master degree in a relevant subject (economics or other quantitative subject). The applicants should have studied microeconomics within their academic curriculum. Interest in cognitive science and experimental economics is recommended. Knowledge of econometric tools and software used in experimental economics would be an advantage. The candidate will apply both economic and psychological tools in laboratory experiments. Observed choices will be analyzed in a theoretical framework based on micro-economic theory. The candidate should consider the Cognitive and Experimental Economics Laboratory (CEEL) as a preferred context where to conduct his/her research. The CEEL is actively engaged in research to understand people decision-making processes and social determinants, as well as to develop interventions to change behaviors and improve social contexts. The research activity of CEEL aims to

bridge economics to related fields such as social and cognitive psychology, organizational behavior, consumer behavior and public policy.

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