IMAGE AND MISREPORTING

Mara Ewers  
Cologne Institute for Economic Research

Florian Zimmermann  
University of Zurich

Abstract
In this paper we analyze how image utility can lead to misreporting of private information in contexts where truthful reports maximize monetary outcomes. In a controlled experiment, subjects go through a series of quiz questions and subsequently report a performance measure. We vary if reports are made to an audience or not. In an additional feedback treatment, reports are also stated to an audience and afterwards the experimenter publicly verifies if reports were correct. We find that in the audience treatment, stated reports are significantly higher relative to the private treatment as well as the feedback treatment. Our findings suggest that overconfident appearance might be a consequence of social approval seeking. (JEL: C91, D03, D82, D83)

Keywords: Image Concerns, Self-Assessment, Overconfidence, Optimism, Beliefs, Signaling, Gender, Experiment.

Acknowledgments: We are grateful to Dirk Bergemann (the editor) and four anonymous referees for very helpful comments and suggestions throughout the referee process. We also thank Steffen Altmann, Steve Burks, Gary Charness, Stefano DellaVigna, Armin Falk, Lorenz Götte, Matthias Kräkel, Sebastian Kube, Stephan Meier, Ernesto Reuben, Paul Schempp, Joel Sobel, Matthias Wibral, participants of the Bonn “retreat”, the 7th International Meeting on Experimental and Behavioral Economics in Barcelona (2011), the International ESA conference in Chicago (2011), the 5th Maastricht Behavioral and Experimental Economics Symposium (MBEES 2012) for insightful comments and discussions. Financial support from the Bonn Graduate School of Economics (BGSE) is gratefully acknowledged.

E-mail: mara.ewers@gmail.com (Ewers); florian.zimmermann@econ.uzh.ch (Zimmermann)