Preferences and economic decision-making in the wake of COVID-19: Experimental evidence from China

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Abstract:
Using a large-scale experiment in China we study whether exposure to a major public health crisis affects the stability of economic preferences. We utilise a unique three-wave panel dataset of 539 students at Beijing Universities, collected in October and December 2019 and March 2020. Exploiting the longitudinal nature of our data, we assess the within-subject stability of preferences, using preference measures from before and after the virus outbreak. Specifically, we use a set of standard economic games to elicit risk, time, and social preferences. Using difference-in-difference analysis we further estimate the effect of varying degrees of exposure on preferences. Our identification strategy exploits the variation in the intensity of exposure to the health crisis using official COVID-19 infection data at the city level and self-reported risk perception. We test several potential mechanisms, including subjective well-being, and cognitive ability.

Data description:
We utilize panel data of a sample of Chinese students from before and after the virus outbreak in China. The data includes a wide range of social, time and risk preferences elicited using standard incentivized and hypothetical games, as well as self-reported psychological well-being and virus-related risk perception.

Ethics: The study obtained ethical approval on March 9th from Department of Land Economy Research Committee (University of Cambridge).

JEL Codes: C93, D64, D81, D91, I18

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