The effect of social distancing on risk aversion, trust, and solidarity

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Abstract
The experiment investigates the causal effect of social distancing on behavioral traits that are important in interpersonal relationships. We exploit the different timing of stay-at-home orders issued during the COVID-19 outbreak as a natural experiment that provides an exogenous manipulation of social distancing. The study analyses how social distancing affects trust, trustworthiness, and solidarity using incentivized tasks within a sample of Prolific participants. Given the huge uncertainty induced by the pandemic, we also elicit the individual level of risk aversion, both as a dependent variable and as a control for the (change in the) interpersonal behavioral traits.

We implement an incentivized longitudinal online study in two States in the US. The first wave has been administered on the same day the stay-at-home order took effect in one State, while in the other one the policy had already been introduced about two weeks earlier, thereby having the time to display its effects on agents’ behavior. The second wave will take place after two weeks. The design also entails a between subject manipulation in order to distinguish in-group vs. out-group effects on trust, trustworthiness, and solidarity.

The design allows us to identify the effects of the increased social distancing using a Difference-in-Difference (DID) approach, allowing to get rid of common observable and unobservable heterogeneity.

Data description
Longitudinal data collected through online surveys administered in Prolific (https://www.prolific.co/) in two points in time.

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