



WARWICK

GLOBAL RESEARCH PRIORITIES  
BEHAVIOUR, BRAIN & SOCIETY

# **DR@W Forum Presents:** **Sergio Alessandro Castagnetti** **(Economics)**

## **Protecting the Ego: Information Selection and Updating**

This paper aims at identifying how individuals search for ego-relevant information and how they subsequently update their beliefs. In a lab experiment, participants are ranked according to either their performance in an IQ test (ego-relevant treatment) or a random number (control treatment). Subjects are incentivized to report their beliefs about whether their IQ score or their random number is in the top half of the distribution. We ask for both prior and posterior beliefs after three rounds of signals. Before the updating stage, subjects choose between information sources that vary in terms of informativeness, skewness and framing. Moreover, in a further treatment we exogenously assign subjects an information structure to investigate their updating behavior absent selection. Our results show that subjects are significantly more likely to choose information structures that are less informative and positively framed if the rank is based on the ego-relevant task. We also find that updating differs across information structures but only when the ego is at stake. Taken together, we document that, in the IQ treatment, subjects choose information structures that allow them to underweigh negative feedback. Thus, we provide evidence of a novel mechanism that explains how individuals can maintain self-serving beliefs.

### **Date/Time**

*Thursday 14<sup>th</sup> November  
2019*

*2.30 pm – 3.45 pm*

### **Location**

*Library, Wolfson 1*

