

RESOURCE SHARING: INSIGHTS FROM THE SOCIAL AND BEHAVIORAL SCIENCES



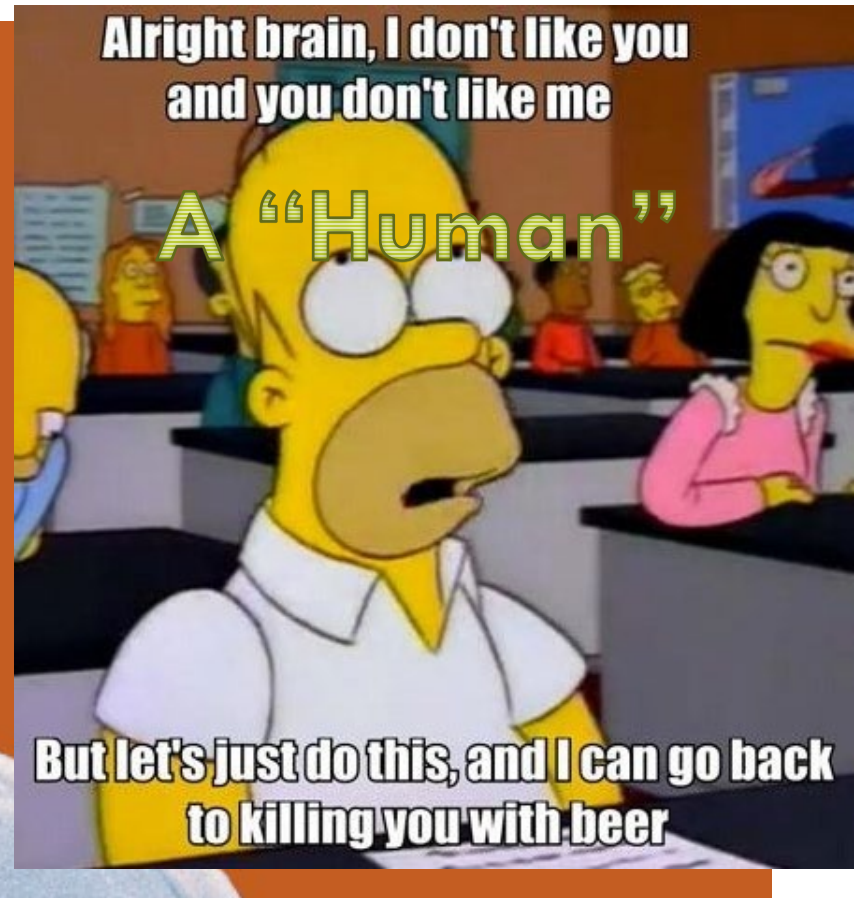
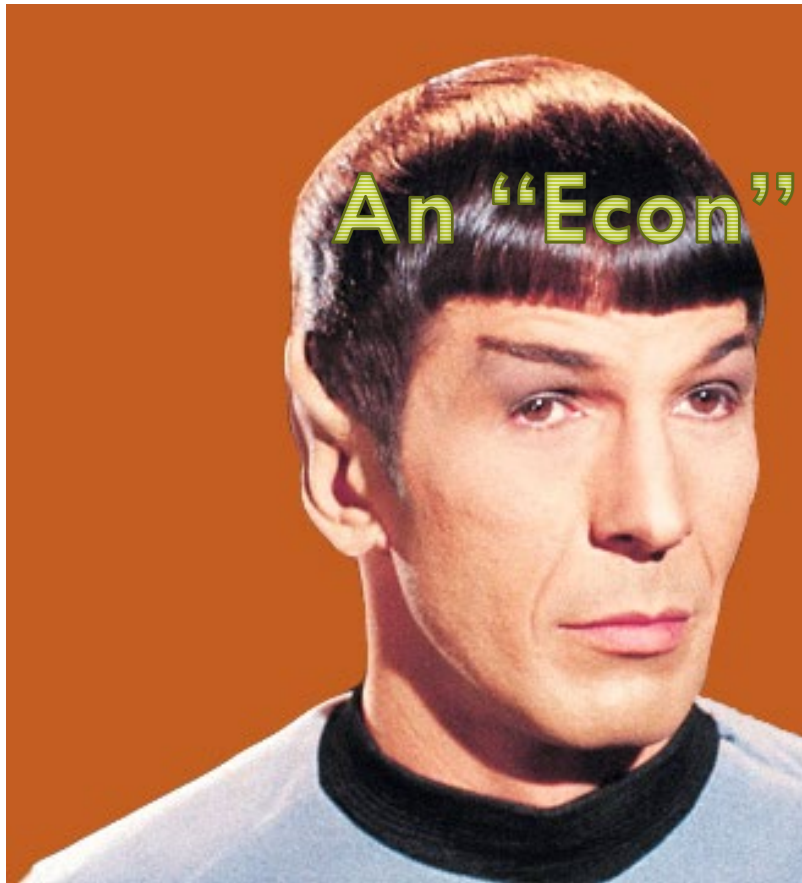
Professor Syon Bhanot, Swarthmore College
Social Impact Commons, 3/24/22

About Me

- **Associate Professor of Economics**, Swarthmore College
- **Senior Researcher**, MIT Applied Cooperation Team (<https://cooperation.mit.edu>)
- **Academic Affiliate**, The Busara Center for Behavioral Economics (www.busaracenter.org)
- **Academic Affiliate**, Office of Evaluation Sciences (<https://oes.gsa.gov>)
- **Co-Founder and Principal**, Westdale Analytics (www.westdaleanalytics.com)
- My work: applying behavioral economics ideas and data science solutions... in the **real world**



Who are we?



1. Cooperation and Pro-Sociality

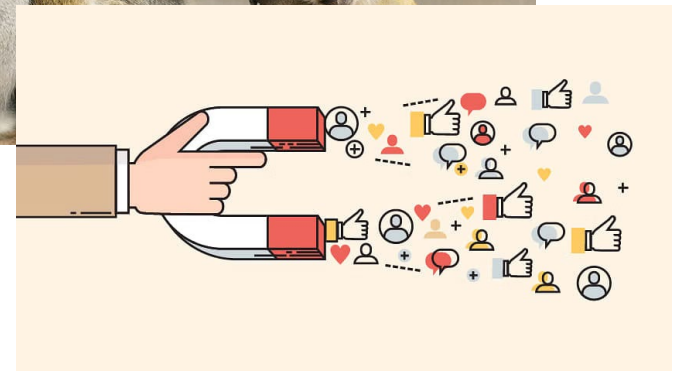
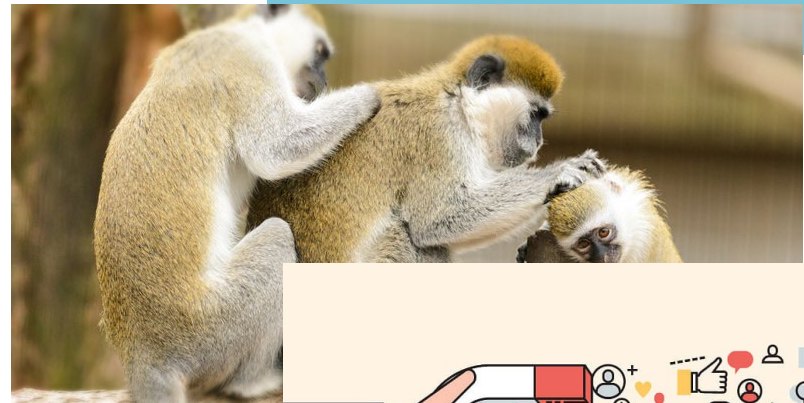
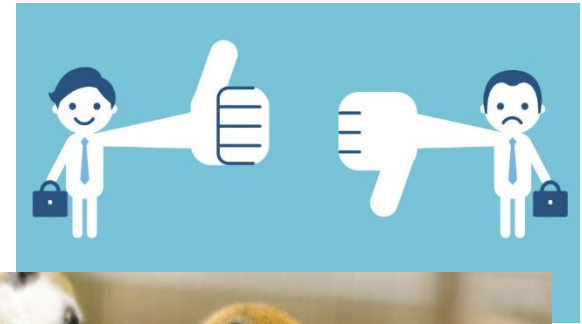
- Cooperative and pro-social behavior: suffering a personal cost to benefit the greater good
 - A concept at the heart of many nonprofits
 - Also relevant for the resource sharing decision within an organization
- Many barriers in the way of pro-sociality and cooperation

The Free-Rider Temptation



How to Encourage Cooperation?

- 1) Repeat interaction – role of reputation
- 2) Reciprocity
- 3) Social proof and observability



2. The IKEA Effect

Subjects willing to pay
63% more for self-
assembled items.

“Not Invented Here” Syndrome:
Avoidance of things that were
externally formed

Sunk cost fallacy:
devoting excess resources
to struggling projects
you've poured effort into



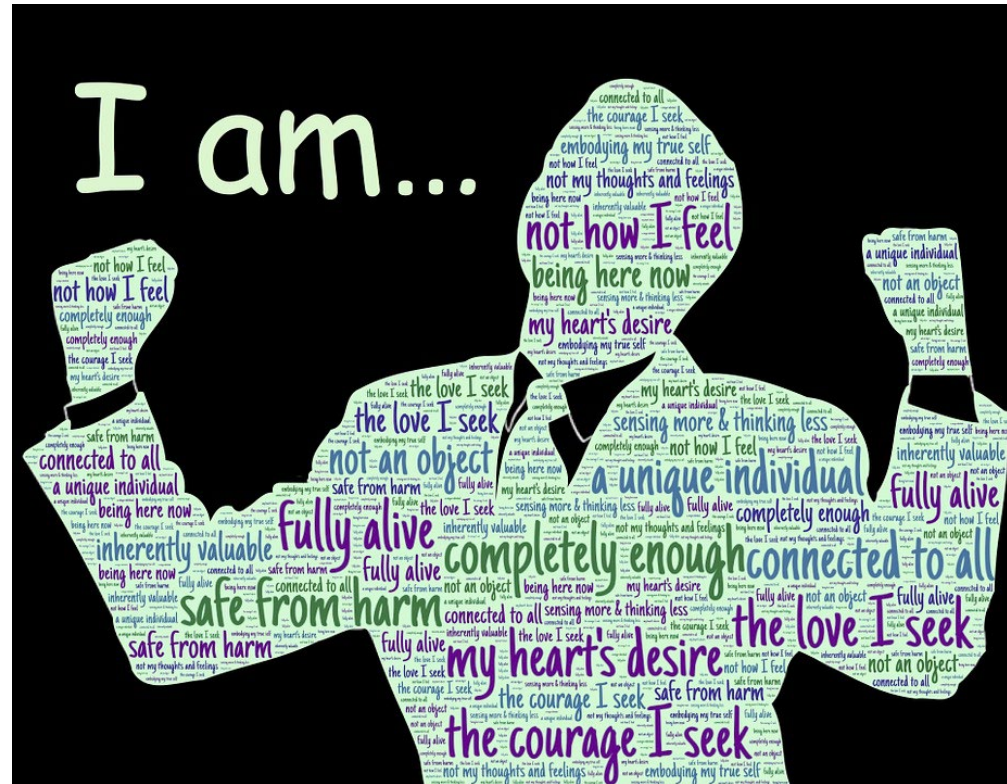
3. Overconfidence

□ Which of the following best describes what kind of driver you are?

- A. “Well Above Average”
- B. “Slightly Above Average”
- C. “Average”
- D. “Slightly Below Average”
- E. “Well Below Average”
- F. “I Don’t Drive

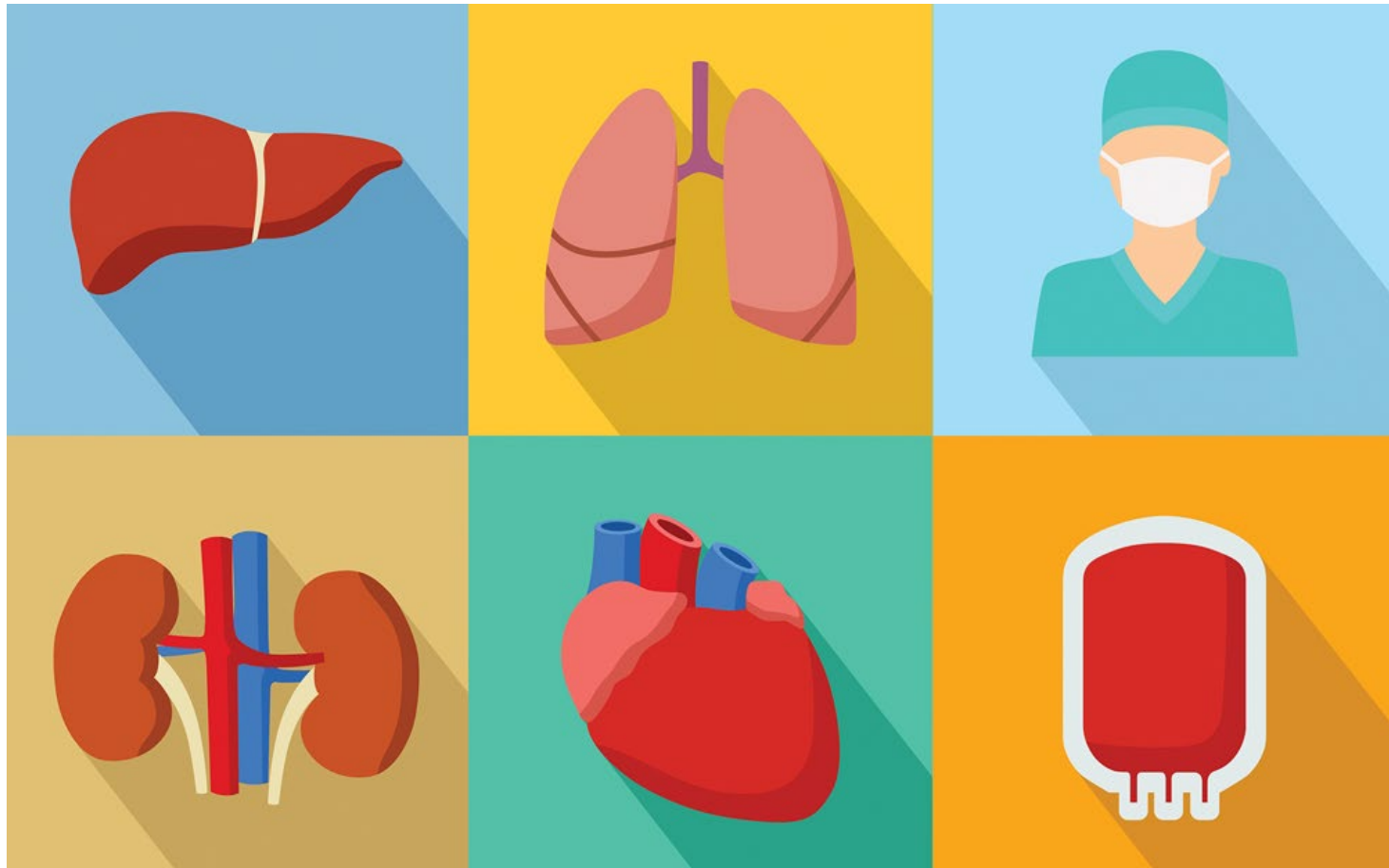
93% of U.S. sample
and 69% of the
Swedish sample put
themselves in the top
50% in driving ability
(Svenson, 1981)

4. Identity

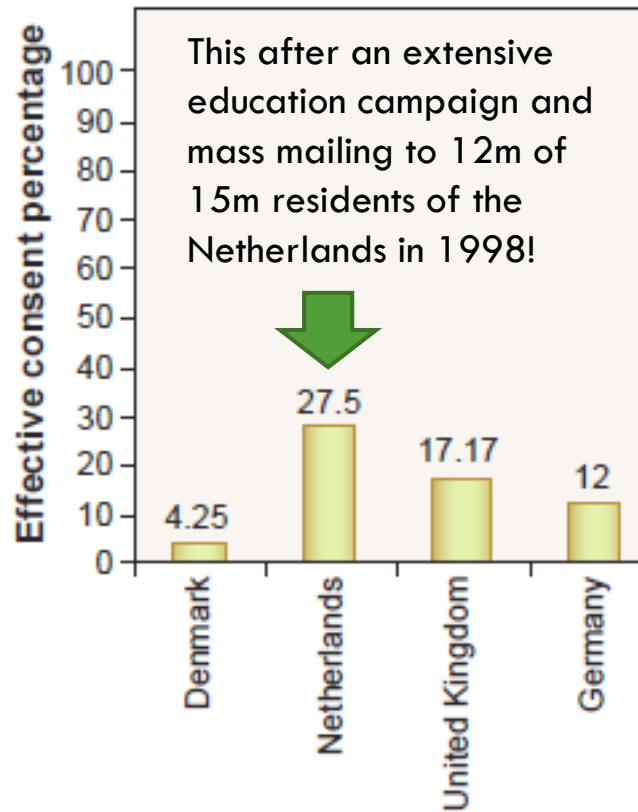


Identity affects social norms → could make us “maximize”
the wrong thing (e.g. “control”, not “social good”)

Last Topic...



5. Status-Quo Bias



(Johnson and Goldstein, 2003)

Thanks!



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