The effect of the aggregate vs. individual frame of information on choices

Nicolao Bonini Dipartimento di Scienze della Cognizione e della Formazione (DISCoF), Università di Trento

Eldar Shafir

Department of Psychology,

Princeton University

Abstract

The principle of descriptive invariance is both a normative and intuitive principle of choice (Tversky and Kahneman, 1986). Nevertheless, findings in decision sciences show that people in certain conditions do not comply with it. A preliminary study is reported where the preference order is reversed as a function of the linguistic presentation of the same objective information. In one condition (aggregate), people are presented with a choice dilemma where the information of the alternative prospects is displayed by an aggregate measure (e.g., a yearly based income; calories per kilograms). In another condition (individual), people are presented with the same choice dilemma where the information of the alternative prospects is displayed by an individual measure (e.g., an hourly based income; calories per grams). Findings show that choices are affected by the aggregate vs. individual frame of the information. A discussion of the underlying cognitive mechanisms is provided.