

Dictator games under risk

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Abstract

In the dictator game it has been shown that when a dictator has to determine how to split an endowment between himself and a second player, he/she often allocates some money to the recipient, showing that there is some pure altruism. Many studies have proved the robustness of this result and a wide variety of issues have been explored. However, there are few studies on how altruism can be affected once the dictator is informed about the recipient's wealth and behavior. Precisely, are people more or less willing to allocate money to other when he/she has to bear a risk on wealth? Or when he/she has chosen to bear this risk?

In this paper, we use a standard Dictator Game framework to experimentally explore altruistic behavior when the recipient is facing risk. We compare different situation in which the recipient has an initial endowment that may be certain, risky or resulting from his/her choice between a certain amount and a risky prospect.

Our results show a negative impact in terms of allocation of the endowment when the recipient is facing a risky income, but no significant difference when the risk has been chosen or not.