

Logic fights impulse in economic decision-making

November 9 2011

Money can make people act crazy, but there is a small group of people that act more rationally than most, and this behavior may be due to their high "cognitive control," according to a new study being published in the Nov. 9 issue of the online journal *PLoS ONE*.

The researchers, led by Wim De Neys of National Center for Scientific Research (CNRS) in France, tested subjects' behavior in the [Ultimatum Game](#), in which two players have to split a sum of money. One player makes an offer, and the other must accept or refuse the offer. If it is declined, neither receives any money. The rational choice, and the scenario predicted by most economic models, would be for the first player to offer only a small amount to the second player, and for the second player to accept this offer, since something is better than nothing. However, most people do not behave this way. The first player often offers an even split, and the second player often rejects an offer of an uneven split, likely due to strong emotional [motives](#).

There are, however, a small group of people who behave as expected by the models. When the researchers studied this [population](#) further, they found that they had high "[cognitive control](#)," as measured by a simple computer task, brain-imaging during a simple computer task, relative to the non-rational players. In other words, they have a generally greater capacity to override impulsive tendencies, which allowed them to behave more in accordance with traditional economic models and make more money in the end.

More information: De Neys W, Novitskiy N, Geeraerts L, Ramautar J, Wagemans J (2011) Cognitive Control and Individual Differences in Economic Ultimatum Decision- Making. *PLoS ONE* 6(11): e27107. [doi:10.1371/journal.pone.0027107](https://doi.org/10.1371/journal.pone.0027107)

Provided by Public Library of Science

Citation: Logic fights impulse in economic decision-making (2011, November 9) retrieved 20 September 2024 from <https://medicalxpress.com/news/2011-11-logic-impulse-economic-decision-making.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.