

Economics 251: Price and Allocation Theory
Reading Guide: “The Distributional Preferences of an Elite”

Our second paper is “The Distributional Preferences of an Elite” by Raymond Fisman, Shachar Kariv, Daniel Markovits, and me. The paper appeared in the academic journal *Science* in 2015. The paper is short for an economics paper, and it starts with a one-page extended summary.

1. First, read the extended abstract (page 34 in the coursepack) and the introduction to the main version of the article (page 35 in the coursepack), and then answer the following questions:
 - (a) What is the main population that the authors study in the paper?
 - (b) What are the two different dimensions of distributional preferences described by the authors?
2. Now read the section titled “Subject pools” and then answer the following questions:
 - (a) What are the four subject pools used in the analysis?
 - (b) How large is the sample of Yale Law School (YLS) students?
 - (c) How is the sample constructed? Do the students come from a single academic cohort?
 - (d) How do the YLS students differ from the general population?
3. Now read the sections “The experiment” and “Framework for analysis” and then answer the following questions:
 - (a) What types of decisions do subjects make in this experiment? What budget lines do they face? How are their payoffs determined?
 - (b) How do an individual’s decisions in the experiment impact other people?
 - (c) What structure do the authors impose on individual preferences? How should we interpret the preference parameters α and ρ ?
4. Now read the rest of the paper and then answer the following questions:
 - (a) How would you summarize the authors’ main findings?
 - (b) To what extent are individual decisions in the experiment consistent with economic models of rationality?
 - (c) How do YLS students compare to the general population in terms of their level of self-interest?
 - (d) How do YLS students compare to the general population in terms of their equality-efficiency tradeoffs?
 - (e) How do the preference parameters estimated from the experiment predict individual behavior outside the experiment?