

University of Minnesota - Twin Cities

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Curriculum Vitae Fall 2008

JOSHUA BENJAMIN MILLER

Personal Data

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Major Fields of Concentration

Experimental Economics, Behavioral Economics. Financial Economics, Game Theory, Neuroeconomics

Education

<i>Degree</i>	<i>Field</i>	<i>Institution</i>	<i>Year</i>
Ph.D.	Economics and Mathematics (PhD Minor)	University of Minnesota (expected)	2009
M.A.	Mathematical Statistics	University of California-Santa Barbara	2003
B.A.	Economics and Mathematics Honors (with distinction)	University of California-Santa Barbara	2001

Dissertation

Title: "Studies in Economic Decision Making: Norms, Emotion, Perception"

Dissertation Advisor: Professor Aldo Rustichini

Expected Completion: Summer 2009

References

Professor Aldo Rustichini	(612) 625-4816 arust@econ.umn.edu	} Department of Economics University of Minnesota 4-101 Hanson Hall 1925 Fourth Street South Minneapolis, MN 55455
Professor Jan Werner	(612) 625-0708 jwerner@econ.umn.edu	
Dr. Simran Sahi	(612) 625-6353 ssahi@econ.umn.edu	
Professor John Dickhaut	(714) 628-2830 jdichau@chapman.edu	Chapman University Economic Science Institute One University Drive Orange, CA 92866

Honors and Awards

- Summer 2007 Graduate Research Partnership Program Fellowship, University of Minnesota, Minneapolis, Minnesota.
- Summer 2006 Stanford Summer School in Neuroeconomics. Selected and sponsored for two week program. Stanford University, Palo Alto, California.
- Fall 2006 *Distinguished Instructor*, Department of Economics, University of Minnesota, Minneapolis, Minnesota.
- 2000 - 2001 Undergraduate Research Grant for California Electric Power Industry Restructuring Project, University of California-Santa Barbara, Santa Barbara, California.
- 1999 - 2000 Education Abroad Program Scholarship for studying at the Faculty of Economics at Maastricht University, The Netherlands, University of California-Santa Barbara, Santa Barbara, California.

Research Experience

- Summer 2008 *Research Assistant*, Department of Economics, University of Minnesota, Minneapolis, Minnesota. Research Assistant for Professor Aldo Rustichini
- Summer 2007 *Research Assistant*, Faculty of Economics, University of Cambridge, Cambridge, England
Research Assistant for Professor Aldo Rustichini
- 2005 - 2007 Behavioral Experiments (Ztree and Presentation):
Programmed and conducted experiments to be reported in "The Difficulty of Being Fair," "Norms or Preferences? An Experimental Study," "Priming and Economic Choice," and "Adaptive Coding in Decision Evaluation"
- 2004 - 2007 fMRI Experiments
Certified at the University of Minnesota to run MRI scans on 3 Tesla Siemens Trio magnet. Experience with several pilot studies.

Teaching Experience

- 2005 - 2008 *Instructor*, Department of Economics, University of Minnesota, Minneapolis, Minnesota. Designed curriculum and taught: *Financial Economics Honors*, *Financial Economics*, *Intermediate Microeconomics*, and *Principles of Microeconomics*.
- 2003 - 2005 *Teaching Assistant*, Department of Economics, University of Minnesota, Minneapolis, Minnesota. Led recitation sections for *Principles of Microeconomics* and *Principles of Macroeconomics*.
- 2001 - 2003 *Teaching Assistant*, Department of Statistics and Applied Probability, University of California, Santa Barbara, California. Led recitation sections for *Mathematical Statistics*.
- 2000 - 2001 *Tutor*, Campus Learning Assistance Services, University of California-Santa Barbara, Santa Barbara, California. Tutored and led discussion sections in first and second year calculus, mathematical logic, statistics, and mathematical statistics.

Papers

- "The Difficulty of Being Fair," with Mehmet Y. Gurdal and Aldo Rustichini, job market paper.
- "Norms or Preferences? An Experimental Study," joint with Mehmet Y. Gurdal.

Work in Progress

“Adaptive Coding in Decision Evaluation,” (Pilot Complete) with Aldo Rustichini and Wolfram Shultz
“Priming and Economic Choice,” (Experiment Complete) with Aldo Rustichini.
“Power and Ownership in Reciprocal Games,” (Design in progress) with Alexander Vostroknutov.

Presentations

“The Difficulty of Being Fair: Biased Judgments and Inefficient Outcomes,” presented at the Third Annual Economics Graduate Student Conference at Washington University in St. Louis, October 2008.
“Outcome Bias and the Control Principle,” presented at the Institute for Humane Studies Social Change Workshop, Brown University, June 2008.
“Caution and Riskiness in Individual and Group Decision Making,” presented at the Social and Behavioral Sciences Laboratory Research Talk, University of Minnesota, May 2008.

Computer Skills

Stata, Matlab, Fortran, zTree, PCL, SDL, Visual Basic

Language Skills

English (native), French (elementary)

Dissertation Papers

“The Difficulty of Being Fair” with Mehmet Y. Gurdal and Aldo Rustichini (Job Market Paper)

Recent experimental economic studies and predictions adapted from behavioral economic theories of fairness suggest that individuals—whose responses to other agents exhibit a desire to reciprocate—are influenced primarily by the actions or intentions of those they are responding to and not the outcomes their actions produce. We present an experiment and an alternative framework that demonstrate and rationalize the opposite conclusion, namely that outcomes matter and not actions or intentions. Our experimental design consists of a one-shot pairing of two subjects; the first mover subject, whose actions are always voluntary (unlike previous studies), chooses between a lottery and a certain amount whose payoffs accrue to the second mover subject. The second mover observes the action of the first mover and the physical random device which determines the outcome of the lottery, and then responds by costlessly assigning payment to the first mover. We manipulate whether the responses of the second mover are made contingently before the first mover acts or spontaneously after the outcome of the random device is realized. We find that it is outcomes and not actions or intentions that are important in determining the nature of the second mover responses. We test a form of fairness termed the *Control Principle* which asserts that we should hold others responsible only for the events which they can control. In our environment first movers cannot control the outcome of the lottery, yet second movers will assign a higher payment to first movers when the lottery outcome is favorable, thus exposing the difficulty of being fair. We find that this “unfair” sensitivity to outcomes is cut in half when second mover responses are elicited contingently before the first mover acts by estimating a structural model of utility over outcomes and including it as an independent variable in a random effects linear model of second mover responses. The pattern of responses in each experimental manipulation can be rationalized by a framework that first considers what is termed as a *salient perturbation* of a decision environment (Myerson 1991) and then applies principal-agent theory to the perturbed environment. Economic implications of observed subject behavior are discussed.

“Norms or Preferences? An Experimental Study,” with Mehmet Y. Gurdal

We study individual behavior in a lottery choice experiment where decisions are made both alone and in small groups. In small group situations where individuals may unilaterally impose risky decisions on the group, we expect a social norm encouraging greater risk-aversion will prevail. We predict that this norm will induce a cautious shift in risk attitudes. A rank-dependent expected utility model of Eliaz, Ray and Razin (2006) predicts a risky shift in our experimental setting under the assumption that agents exhibit Allais' paradox. We test the respective hypotheses and determine the role of social norms in the group choice environment. We find strong evidence for a cautious shift and there is some evidence that subjects exhibiting Allais' paradox are less likely to have one. We observe an association between individual perceptions of the prevailing social norm and the probability of a cautious shift. We conclude that some individuals concede their risk preferences to the social norm.