

ERIC E. CARDELLA

CONTACT INFORMATION

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EDUCATION

Ph.D. in Economics, Candidate – University of Arizona, August 2007 – Present

- Expected Completion Date: May 2012
- Dissertation Title: “Behavioral Influences in Strategic Decision Making”

Master of Arts in Economics – University of Arizona, December 2009

Bachelor of Arts in Economics – University of California at San Diego, June 2006

FIELDS OF INTEREST

- Behavioral Economics
- Experimental Economics
- Game Theory
- Microeconomic Theory
- Industrial Organization

SCHOLARSHIPS, FELLOWSHIPS, AND AWARDS

- Donald Wells Fellowship for excellence in teaching, August 2011
- Steven Manos prize for best second-year paper, runner-up, September 2009
- George W. Coleman Scholarship recipient, August 2007

WORKING PAPERS

- “Strategic Guilt Induction” (Job Market Paper)

Abstract: Guilt averse agents are motivated to meet the expectations of others, even at the expense of their own material payoff. Several experimental studies have found results consistent with guilt averse motivations in games. However, there are strategic implications of guilt aversion, which can impact economic outcomes in important ways, that have yet to be explored. I introduce a game that admits the possibility for agents to induce guilt upon others in a manner consistent with the method for inducing guilt posited by Baumeister, Stillwell, and Heatherton (1994). This enables me to then experimentally test whether agents attempt to influence the behavior of others by strategically inducing guilt. Subsequently, I test whether guilt induction is an effective mechanism for influencing the behavior of others. Lastly, the design enables me to test whether agents exhibit higher degrees of trust when they are given an opportunity to induce guilt. Furthermore, I appeal to the Battigalli and Dufwenberg (2007) model of simple guilt and derive conditions under which effective guilt induction can be supported as an equilibrium of the psychological game considered.

- “Learning to Make Better Strategic Decisions” revise and resubmit at *Journal of Economic Behavior & Organization*

Abstract: Strategic settings are often complex and agents who lack deep reasoning ability may initially fail to make optimal decisions. This paper experimentally investigates how the decision making quality of an agent's opponent impacts learning-by-doing (LBD) and learning-by-observing (LBO) in a strategic decision making environment. Specifically, does LBD become more effective when agents face an opponent who exhibits optimal decision making? Similarly, does LBO become more effective when agents observe an opponent who exhibits optimal decision making? I consider an experimental design that enables me to measure strategic decision making quality, and control the decision making quality of an agent's opponent. The results suggest that LBD is more effective when subjects face an optimal decision making opponent. Whereas, LBO does not appear to be more effective when subjects observe an optimal decision making opponent. The results also suggest that LBD is, at most, marginally more effective than LBO at improving decision making quality in the game considered.

- “Stackelberg in the Lab: The Effect of Group Decision Making and Deliberation Periods” with Ray Chiu, *currently under review*

Abstract: The Stackelberg duopoly is a fundamental model of sequential output competition. The equilibrium outcome of the model results in first mover advantage where the first-moving firm produces more output, and earns larger profits, relative to the second-moving firm. Huck, Müller, and Normann (2001) and Huck and Wallace (2002) test the Stackelberg duopoly in a lab setting and find behavior that is largely inconsistent with the equilibrium predictions of the model. We hypothesize that this inconsistency is a result of differences between the decision making environment implemented in the lab and firm environments in the field. In this paper, we experimentally investigate whether group decision making and decision deliberation periods lead to more profit maximizing Stackelberg behavior in the lab. In doing so, we re-test the Stackelberg duopoly in the lab while implementing (i) two-person decision making groups, and (ii) a 10-minute deliberation period for second movers. Our results suggest group decision making leads to more profit maximizing behavior for first movers, while the 10-minute deliberation period has very little effect on behavior of second movers.

WORK IN PROGRESS

“Why Negotiate a ‘Fair’ Price?”

“Using Auctions to Model ‘Go-Shop’ Provisions” with Douglas Fairhurst and Lindsey Nagy

PRESENTATIONS

“Strategic Guilt Induction” – Economic Science Association Conference, Tucson AZ, November 2011

“Behavioral Economics” – Guest speaker for the University of Arizona Economics Society, October 2011

OTHER PROFESSIONAL ACTIVITIES

- 4th Annual Lindau Nobel Laureate Meetings in Economic Sciences, NSF Fellow, August 2011
- International Foundation for Research in Experimental Economics (IFREE) Graduate Workshop in Experimental Economics, Chapman University, January 2011

RESEARCH ASSISTANTSHIPS

- Economic Science Laboratory
 - RA for Martin Dufwenberg, Fall 2009 – Spring 2010
 - RA for John Wooders, Fall 2010
- Institute for Behavioral Economics: RA for Martin Dufwenberg, Fall 2009 – Spring 2010
- RA for Tamar Kugler, Fall 2011
- RA for Gautam Gowrisankaran, Fall 2008 – Spring 2009

TEACHING EXPERIENCE

Courses taught at the University of Arizona

- Game Theory (ECON 431): Summer 2010, Summer 2011, Fall 2011
- Intermediate Microeconomics for Business (ECON 300): Summer 2008, Summer 2009
- Global and Financial Economics and Strategies (BNAD 301): Summer 2009, Summer 2010

Teaching Assistantship at the University of Arizona

- Intermediate Microeconomics for Business (ECON 300): TA for Alex Roomets, Spring 2008
- Statistical Inference in Management (MGMT 276): TA for Thomas Dalton, Fall 2007

TEACHING INTERESTS

Game Theory, Microeconomic Theory, Behavioral Economics, Experimental Economics, Industrial Organization, Strategy, Labor Economics

REFERENCES

Martin Dufwenberg, Ph.D. (Advisor)

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