

Potential Payoffs from Genoeconomics

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Heritability of Social Science Outcomes

- Socioeconomic Outcomes
 - Educational attainment: ~50% (Behrman et al., 1975; Miller et al., 2001; Scarr and Weinberg, 1994; Lichtenstein et al., 1992)
 - Income: ~40% (Björklund, Jäntti and Solon, 2005; Sacerdote, 2007; Taubman, 1976)
- Economic Preferences
 - Risk preferences: ~30% (Cesarini et al., 2009; Zhong et al. 2009; Zyphur et al. 2009)
 - Bargaining behavior, altruism and trust: ~30% (Wallace et al., 2007; Cesarini et al., 2008)
- Economic Behaviors
 - Financial decision-making: ~30% (Barnea et al., 2010; Cesarini et al, 2010)
 - Susceptibility to decision-making anomalies: ~25% (Cesarini et al., 2011)

Some Payoffs from “Genoeconomics”

1. Direct measures of previously latent parameters
 - Abilities and preferences are latent in most econ models.
2. Biological mechanisms for social behavior
 - Could decompose crude concepts like “risk aversion” and “patience.”
3. Genes as instrumental variables
4. Prediction using genetic information
 - Would facilitate targeting social-science interventions.
 - E.g., children with dyslexia-susceptibility genotypes could be taught to read differently from an early age.
 - Parents could expose children at a young age to activities that appeal to child’s preferences and abilities.