



**University of
Zurich** ^{UZH}

Department of Economics – Neuroeconomics Seminar

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The allocation of attention and choice quality in a dual-task setting

We study the allocation of limited attention in a dual-task setting using an experimental approach. Subjects have a fixed time span and need to decide how to allocate their attention between a quiz and a contract choice task. As both tasks are incentivized, the opportunity costs of attention in a task amount to the value of the time not used for the alternative task.

We find that subjects do not change their allocation of attention nor their decision quality if the relative incentives change, contrary to the prediction of the rational inattention model applied to the decision situation.

Further, we consider a treatment, where subjects are exposed to a varying probability structure in the contract task, where each decision remains unchanged with respect to the average cognitive challenge. We find that a change in the probability structure triggers an instantaneous increase in attention to the contract and contract decision quality, without a declining decision quality in the quiz task, whereas the rational inattention model rules out this type of improvement. We illustrate that our finding could be explained if a change in the environment exogenously activates a motivated or concentrated thinking within the subjects.