



**University of
Zurich** ^{UZH}

Department of Economics – Neuroeconomics Seminar

April 25, 2024 - 16:00 - 17:00

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The Value of Beliefs: From Theory to Practice

In this talk I will present our recent research on how and why people form particular beliefs. I will propose that the utility of a belief is derived from the potential outcomes associated with holding it. Outcomes can be internal (e.g., positive/negative feelings) or external (e.g., material gain/loss), and only some are dependent on belief accuracy. We show that belief change occurs when the potential outcomes of holding it alters, for example when moving from a safe environment to a threatening environment. Our findings yield predictions about how belief formation alters as a function of mental health. We test these predictions using a linguistic analysis of participants' web searches 'in the wild' to quantify the affective properties of information they consume and relate those to reported psychiatric symptoms. Finally, I will present a study in which we used our framework to alter the incentive structure of social media platforms to reduce the spread of misinformation and improve belief accuracy.