



Children recognize but do not use the principle of economic demand for own choices

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Background

Research on children's economic reasoning has shown that by about 7 to 8 years of age, children have a basic understanding of resource demand in hypothetical story tasks (Thompson & Siegler, 2000). However, when choosing items for themselves, children tend to prefer abundant over scarce resources (e.g. Echelbarger & Gelman, 2017). There are at least two reasons for this apparent discrepancy: 1) the hypothetical stories may have provided stronger cues about market demand that enhanced the causal link to value; and 2) children may be able to reason about economic forces, but may not use that knowledge in their own choices (see e.g. C.E. Smith, Blake & Harris, 2013). In the current study, we provided children with information that could be used to infer that resource demand created scarcity, and allowed children to choose either the scarce or abundant resource. We also checked their knowledge of demand in the task.



Experiment 1: Buying a sticker

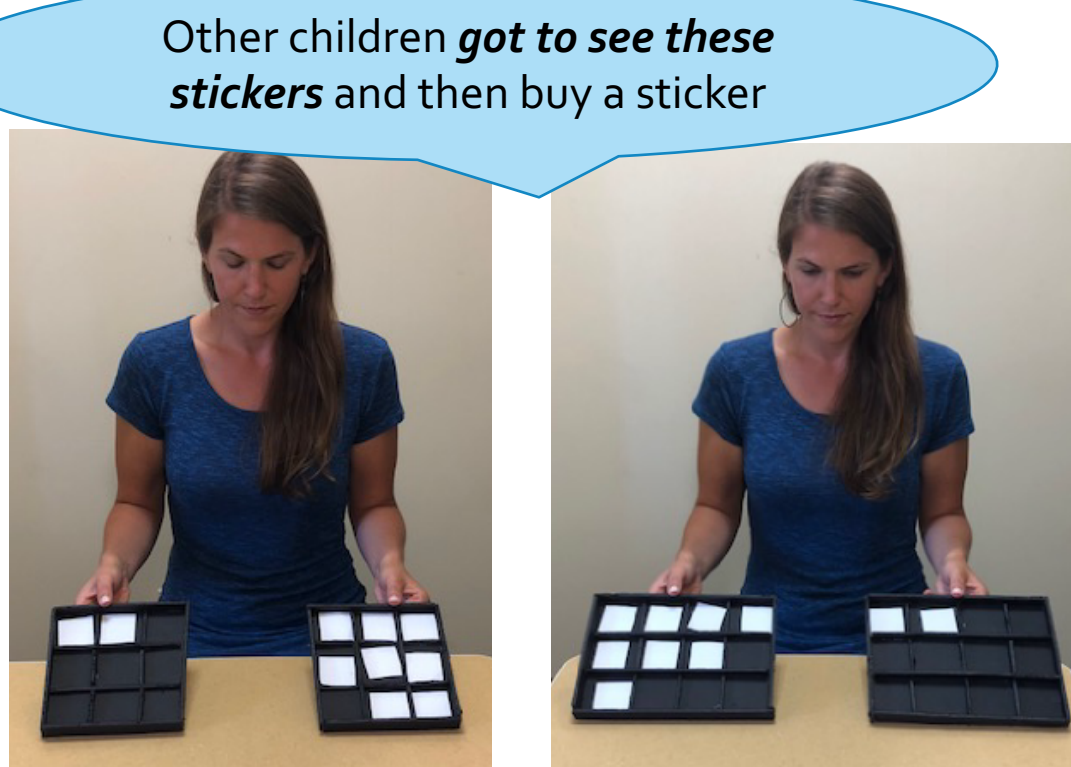
Do children take demand into account when buying a resource?

Familiarization

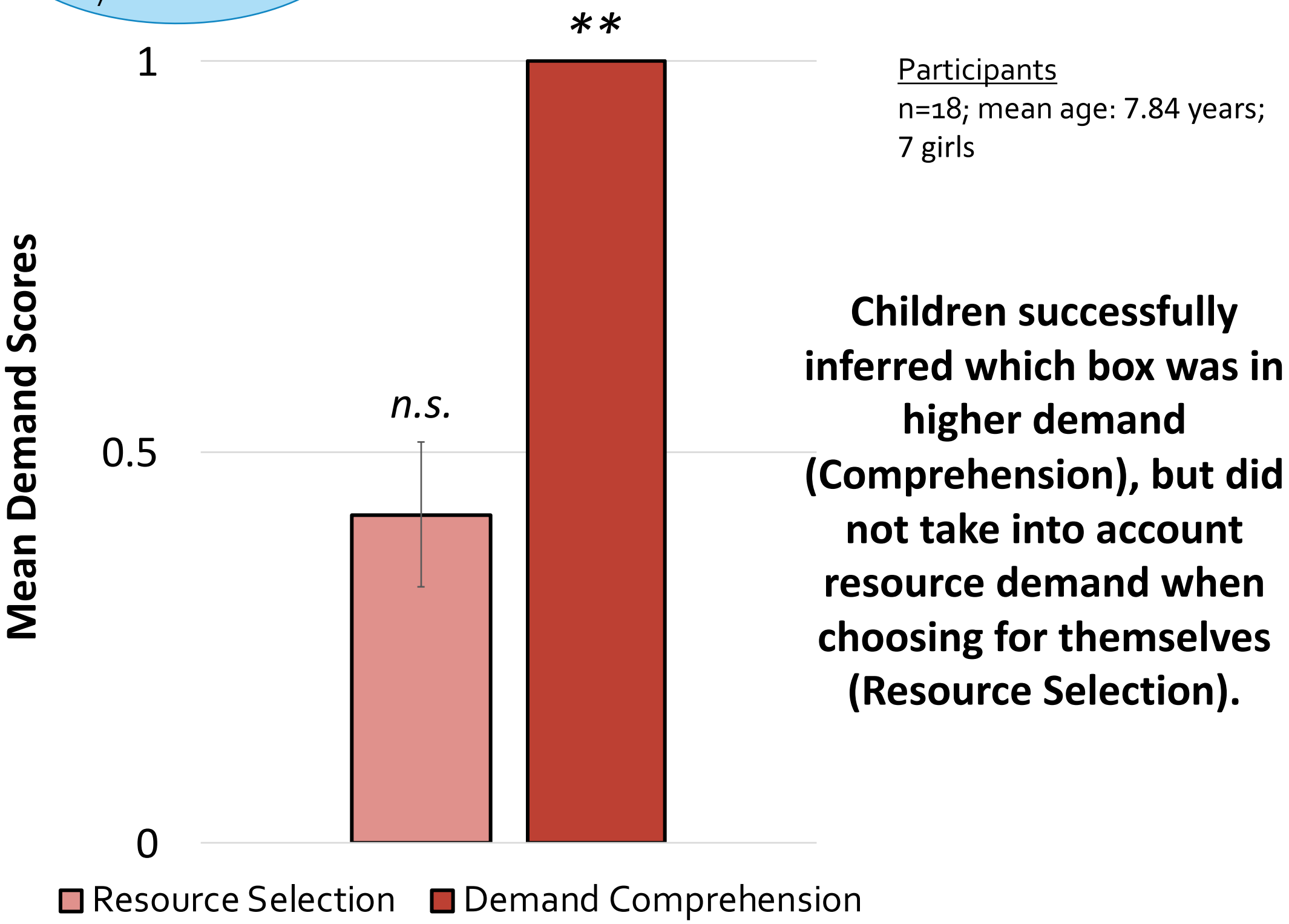


These boxes have different types of stickers. Which would you like to buy a sticker from?

Test Trials



Resource Selection: "Which box would you like to *buy from*?"
Demand Comprehension (following the 2 test trials): "Which do you think the other kids liked better?"



Experiment 2: Trading for a sticker

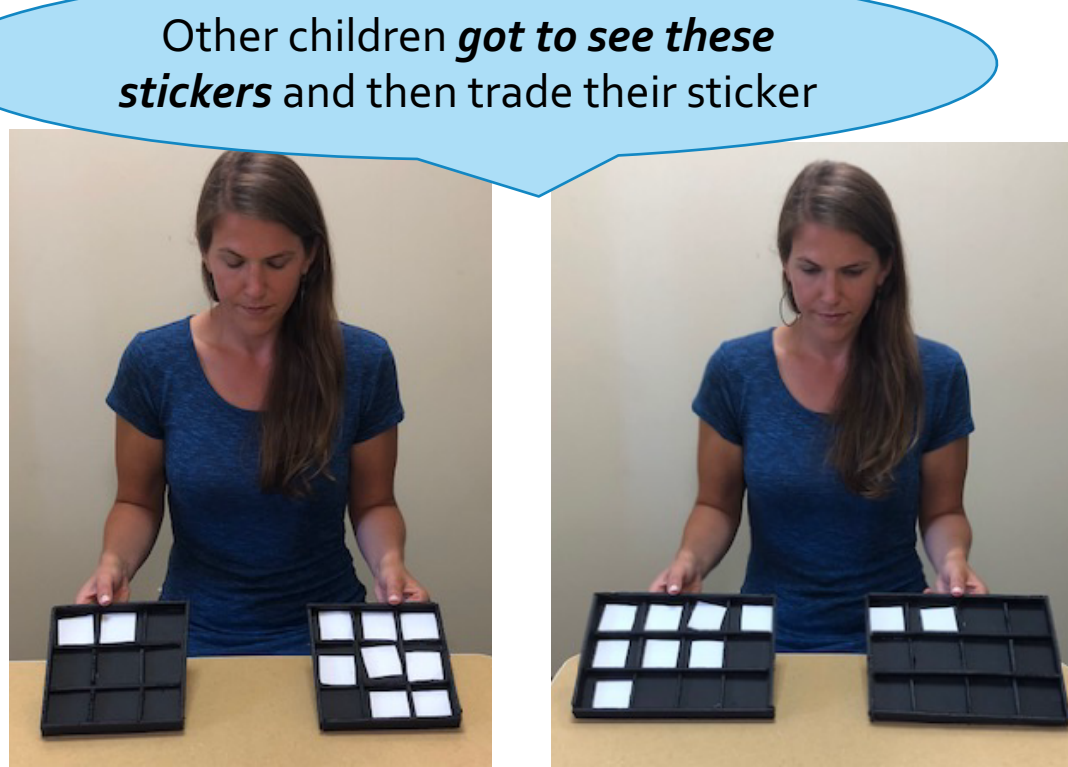
Do children take demand into account when trading a resource?

Familiarization

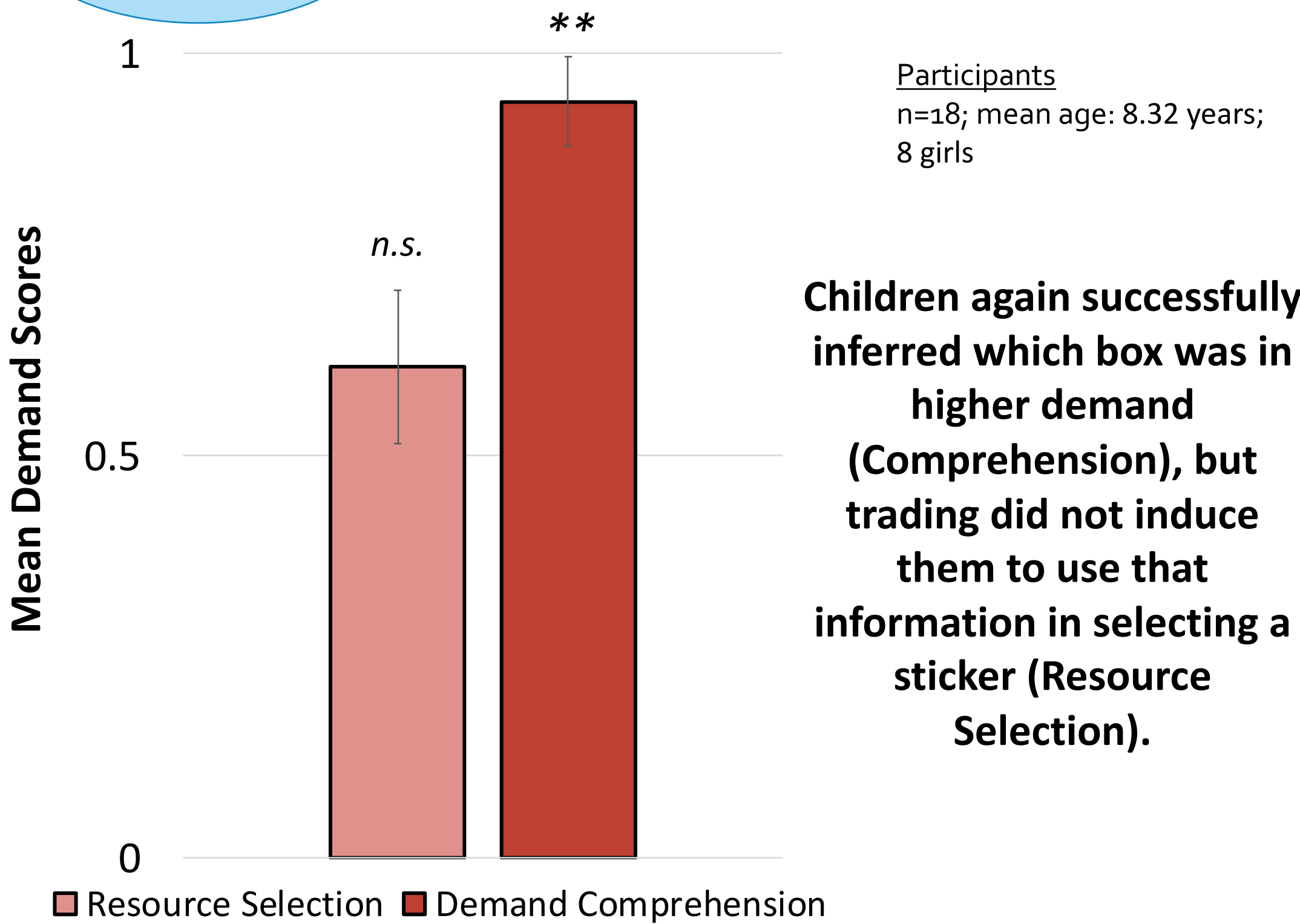


These boxes have different types of stickers. Which would you like to trade a sticker with?

Test Trials



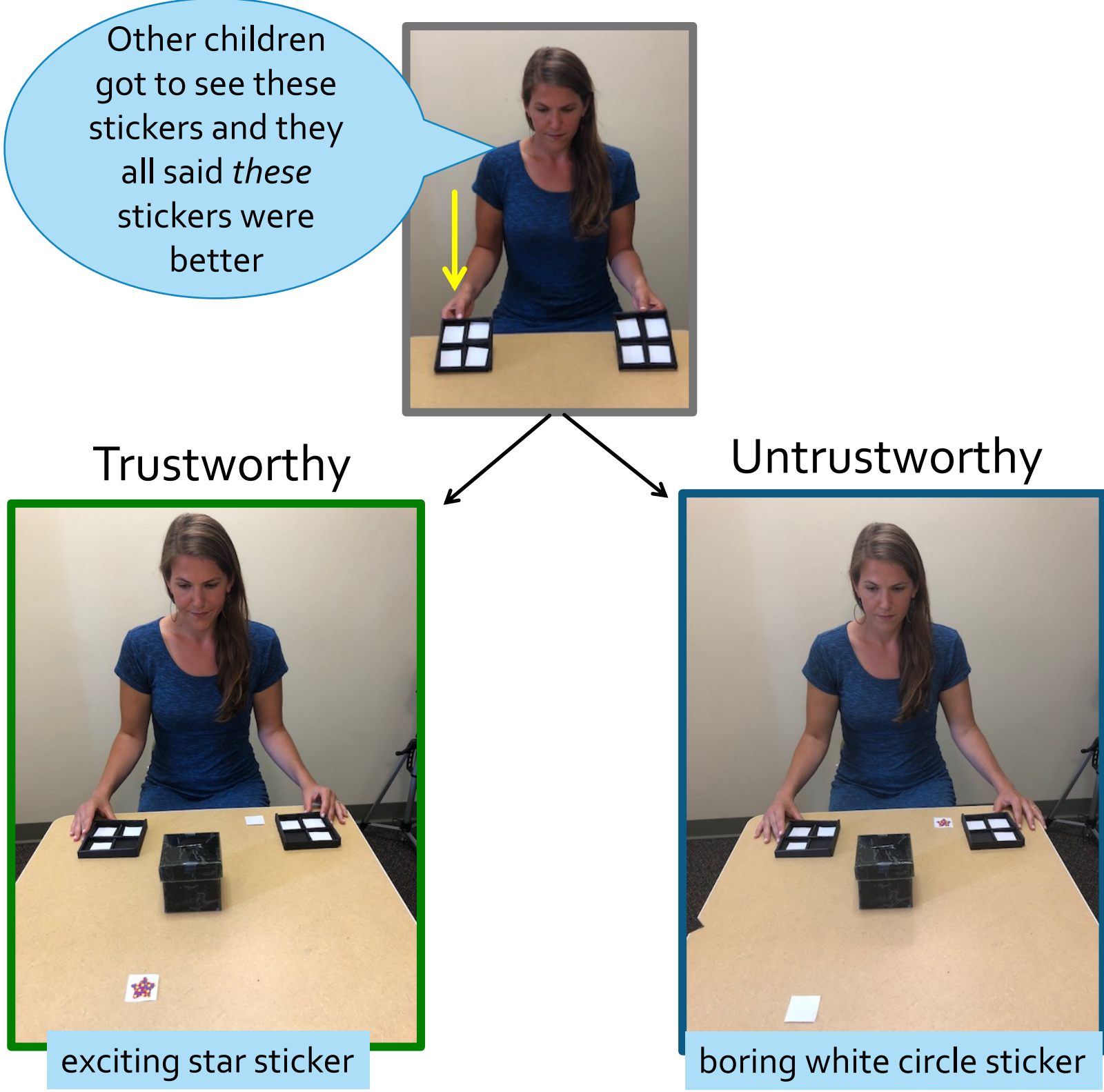
Resource Selection: "Which box would you like to *trade with*?"
Demand Comprehension (following the 2 test trials): "Which do you think the other kids liked better?"



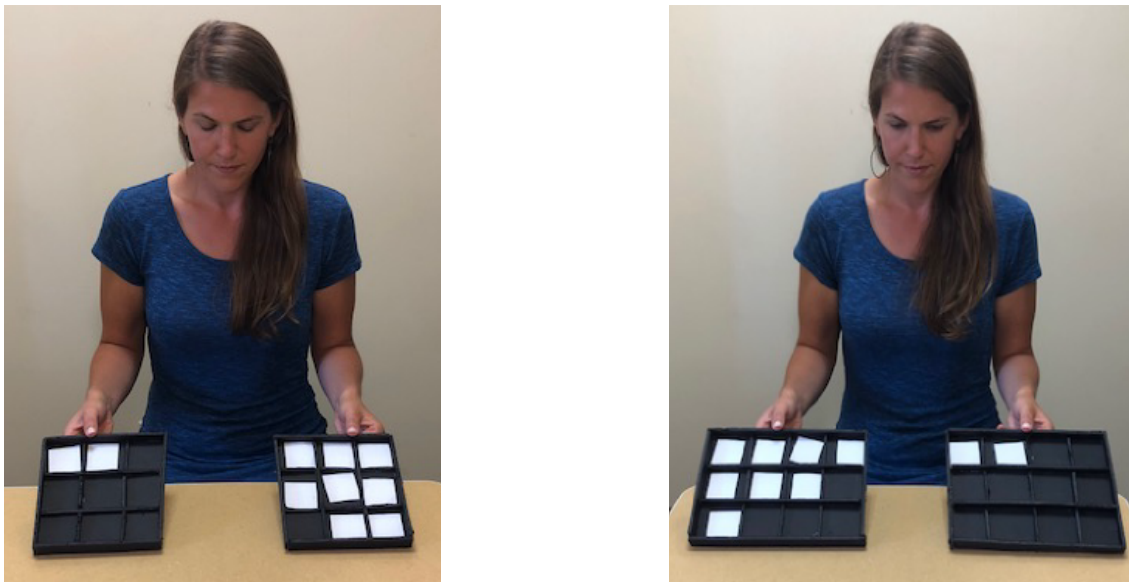
Experiment 3: Manipulating the trustworthiness of other children's preferences

Will children consider other children's taste in stickers² when choosing a resource for themselves?

Trust Induction

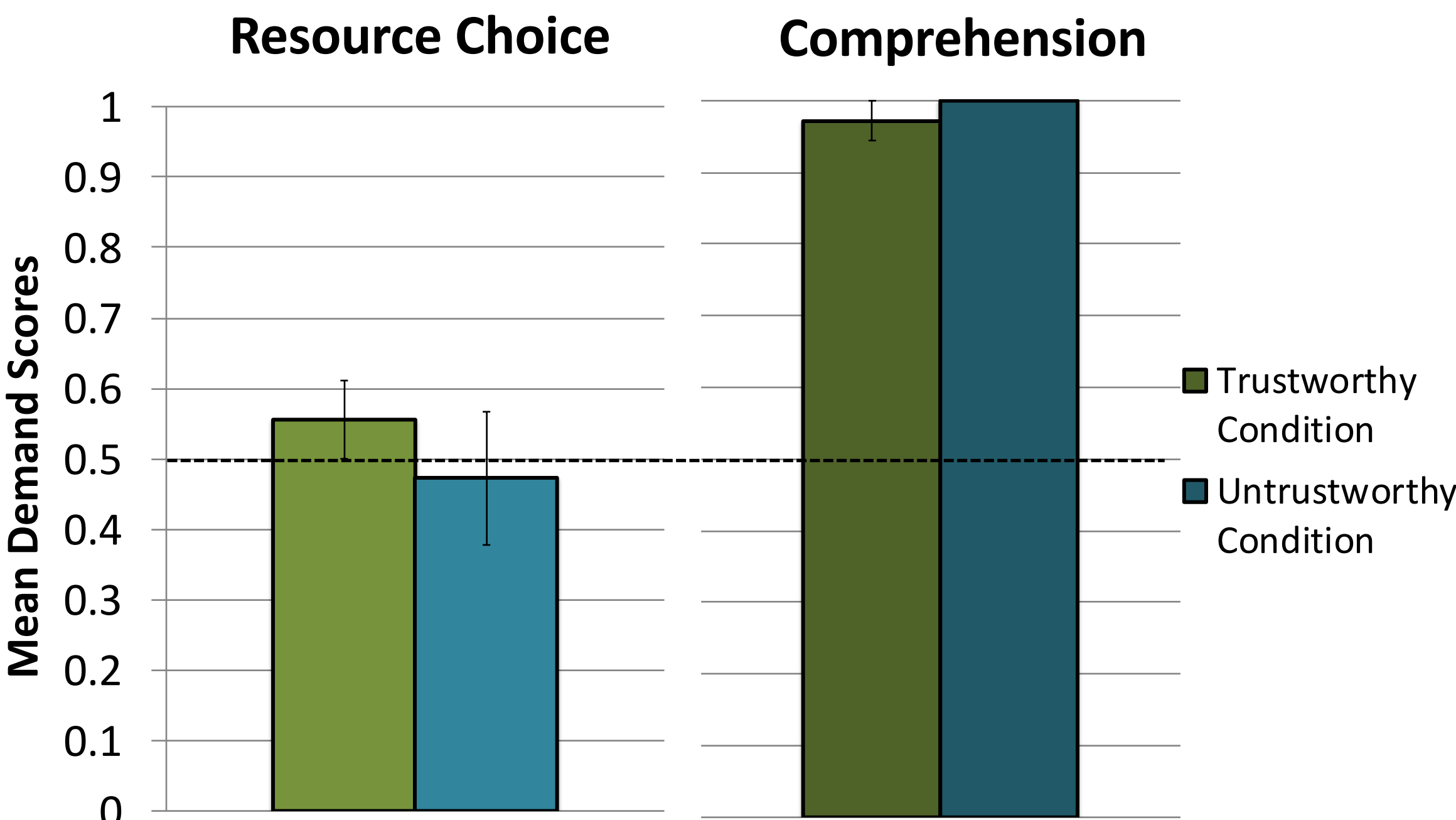


Test Trials



Resource Selection: "Which box would you like to *buy from*?"
Demand Comprehension (following the 2 test trials): "Which do you think the other kids liked better?"

Participants
n=36; mean age: 8.88 years;
16 girls



Conclusions

Children can infer which resource other children preferred based on differences in resource supply. However, children do not reliably use this information to choose a resource for themselves.

References

- Echelbarger, M., & Gelman, S. A. (2017). The value of variety and scarcity across development. *Journal of experimental child psychology*, 156, 43-61.
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- Smith, C. E., Blake, P. R., & Harris, P. L. (2013). I should but I won't: Why young children endorse norms of fair sharing but do not follow them. *PloS one*, 8(3), e59510.
- Thompson, D. R. & Siegler, R. S. (2000). Buy low, sell high: The development of an informal theory of economics. *Child Development*, 71(3), 660-677.