

e3c-LoyolaECON SEMINAR

Tuesday 18th of October 2022
12:30 p.m. – 13:30 p.m.

“The effect of (acute) stress on risk and time preferences. Can mindfulness meditation help?”

By

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Link to join the Seminar: <https://loyola.webex.com/meet/rede3c>

Abstract: Stress can have an impact on individual mental well-being and decision-making. Particularly, risk and time preferences are crucial determinants of inter-temporal decision-making in a variety of contexts from finance to health. The aim of this study is to investigate how acute cognitive stress affects individual stress levels and risk and time preferences and whether a preventative task in the form of a brief mindfulness breathing exercise can impact both. We implement a laboratory experiment in which we elicit risk and time preferences while measuring participants' heart rates in a continuous manner. We vary whether individuals are exposed to cognitive stress and whether they take part of a brief guided mindfulness breathing exercise. Our initial results show that a brief mindfulness breathing task significantly reduces the average heart rate for participants who were exposed to acute stress as well as those who were not. On average, individuals are risk averse and impatient. The joint estimation of preference parameters does not reveal any effect of the brief mindfulness breathing exercise on risk and time preferences, which sets the stage for longer-term interventions.

Keywords: stress, risk and time preferences, mindfulness, behaviour