Equity Concerns are Narrowly Framed: Why Money Cannot Buy Time

Abstract

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What are individuals' preferences over the payoffs of others? We show that individuals aim to achieve equity among others, but they narrowly bracket their equity concerns. Individuals choose to equalize time budgets or money budgets between others rather than equalize overall budgets. Individuals believe that achieving equity within narrow brackets is more socially appropriate than achieving overall equity. Furthermore, individuals care more about achieving equity in time than equity in money. These patterns persist when individuals are making allocation decisions between themselves and others. Our results speak to variety of behavioral phenomena and empirical findings such as the provision of public goods and why transactions that turn money into time are often deemed repugnant.