High Hopes or Hard Truths?
Expectations, Merit Beliefs, and Redistribution Preferences

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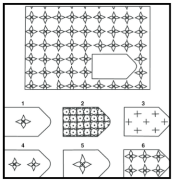
Introduction

- Support for redistribution hinges on beliefs: **merit vs. luck** (Alesina and Angeletos, 2005).
- "Winner's bias": high earners claim merit, support less redistribution (Deffains et al., 2016).
- Self-image maintenance is one explanation (Valero, 2022).
- Evidence that self-made high earners tend to support redistribution less than those born rich Cohn et al. (2022).
- Can expectation shortfalls indicate stronger need for self-image protection that raises redistribution support?

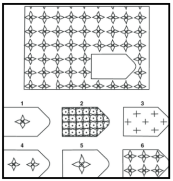
Design, Timeline, 1/2

See Sample Test



Predict Own Performance

Take Test



Probability Mechanism
Determines your score

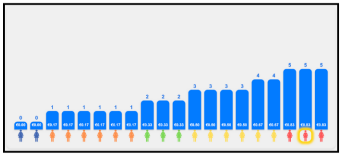
Design, Grading Probability Mechanism

Treatment	Correct	Incorrect	Interpretation
Control	100%	0%	No noise
Profitable Noise	70%	35%	Raises points on avg.
Neutral Noise	70%	15%	Similar avg., more variance
Disadvantageous Noise	70%	0%	Lowers points on avg.

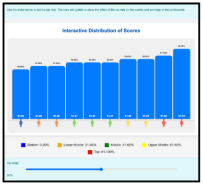
Same test, different *income signal noisiness*.

Design, Timeline, 2/2

Find Out Result

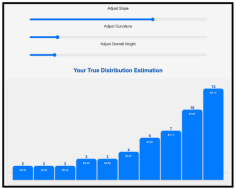


Vote Redistribution Rate for another group



Re-estimate Own Performance

Draw perceived income distribution without the probability mechanism



Contribution

1. **Expectations as priors**: elicits beliefs about own future performance to measure what's at stake for self-image.
2. **Continuous noisy signal**: same task for all; varying income signal noise (closer to real-world uncertainty).
3. **Indirect belief measurement**: avoids asking "luck vs. merit" directly.

Preview: Expectation shortfalls $\Rightarrow$ luck attributions $\Rightarrow$ higher voted redistribution.

Hypotheses

H1 Higher initial overconfidence $\Rightarrow$ higher voted redistribution (strongest under Neutral Noise).

H2 Higher voted redistribution associated with:

(a) higher post-test confidence (personal merit belief),

(b) lower perceived true inequality (group merit belief).

Sample & Logistics

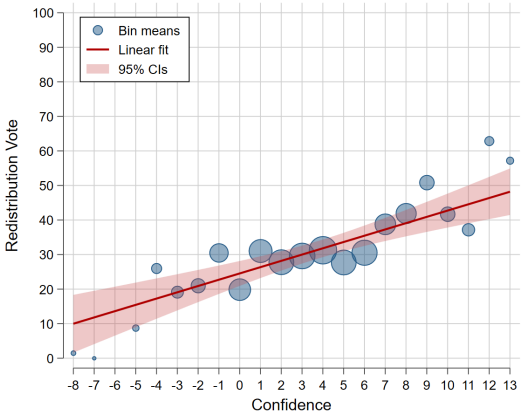
- $N = 669$ (Control 163; Profitable 155; Neutral 189; Disadvantageous 162).
- Average payment: €2.35.
- Average time: 15 minutes.
- Prereg: AsPredicted #190633; oTree; Prolific.

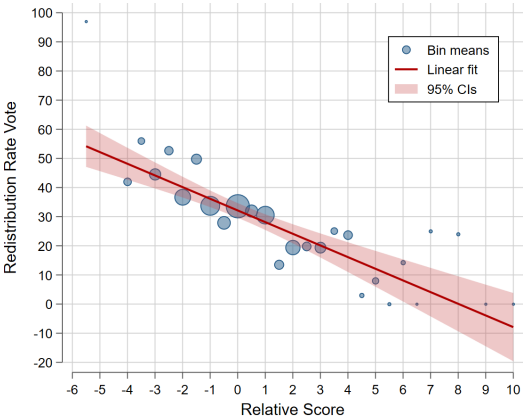
Descriptives

Treatment	Score	Overconfidence	Redistribution vote (%)
Control	5.94	4.18	31.96
Profitable Noise	7.37	1.99	28.72
Neutral Noise	5.72	3.64	33.51
Disadvantageous Noise	4.22	5.25	30.97

Noise works as designed; disappointment/overconfidence highest in Disadvantageous.

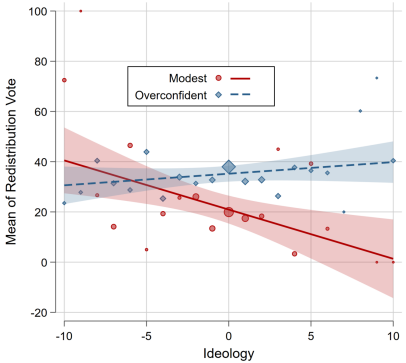
Redistribution votes, Overconfidence & Relative score

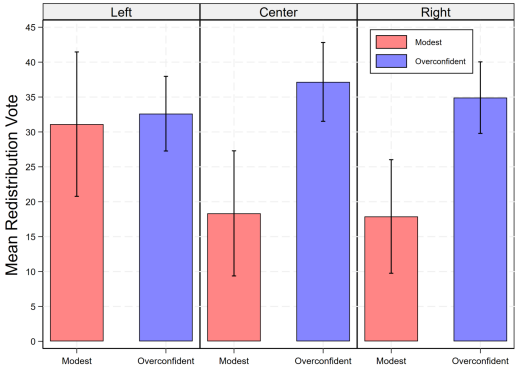




- **Overconfidence** is *positively* associated with redistribution votes.
- **Relative score** (own score minus session median) is *negatively* associated with redistribution votes.

Ideology





- Among **modest** participants (expectations met), redistribution follows along ideological lines (more right-leaning ⇒ lower redistribution votes).
- Among the **overconfident**, the relationship disappears.

Regressions: Pooled

Predictor	**Coef.**	**(SE)**
Relative score	**-3.156*****	(0.667)
Overconfidence	**1.193*****	(0.344)
Female	**-6.990** *	(2.867)
Ideology (modest)	**-1.901** *	(0.819)
Ideology (overconf.)	0.100	(0.426)
Constant	**31.504*****	(3.007)

SE: clustered by session

- One-point higher *relative score* $\Rightarrow$ **3.16 percentage points lower** redistribution vote.
- One-point higher *overconfidence* $\Rightarrow$ **1.19 percentage point higher** redistribution votes.
- Female coefficient is negative; ideology matters only for the "modest".

Regressions, by Treatment

Predictor	Coef.	(SE)
Relative score		
Control	**-2.442** *	(0.961)
Profitable Noise	**-2.567** *	(1.019)
Neutral Noise	**-3.727** *	(1.448)
Disadvantageous Noise	**-4.061** ***	(1.109)
Overconfidence		
Control	**1.590** **	(0.547)
Profitable Noise	0.378	(0.731)
Neutral Noise	**1.603** **	(0.457)
Disadvantageous Noise	**0.961** *	(0.469)
Female	**-6.990** *	(2.867)
Ideology (modest)	**-1.901** *	(0.819)
Ideology (overconf.)	0.100	(0.426)
Constant	**31.504****	(3.007)

SE: clustered by session

$N = 596$, Sessions $= 42$, $R^2 = 0.103$, RMSE $= 32.754$

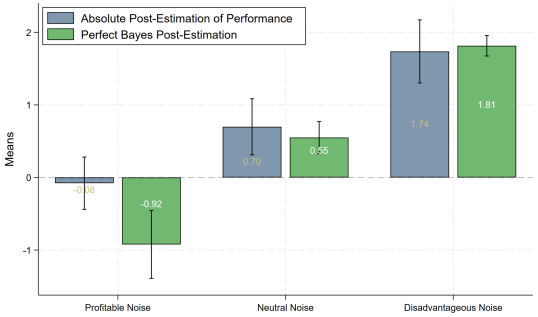
- **Relative score**: negative in every treatment; **largest in Disadvantageous**.
- **Overconfidence**: positive in Control/Neutral, also present in Disadvantageous, absent in Profitable.
- Female coefficient still negative; ideology still matters only for the "modest".

Mechanism check: Post-confidence updating

- **Profitable Noise**: Bayes predicts average update ≈ -0.92; observed ≈ 0 (good news treated as truth).
- **Neutral/Disadvantageous**: observed updates $\approx$ Bayesian benchmark.

Interpretation: People act as perfect Bayesians when that will protect their self-image, but do not discount the signal when the mechanism inflates performance.

Similar to Eil and Rao (2011).



Mechanism Check: Redistribution → Post-test Confidence

Post-Confidence	**Coef.**	**(SE)**
Redist. Modest	**-0.0035***	(0.0017)
Redist. Overconfident	**+0.0030***	(0.0012)

- Among the *modest*, higher redistribution votes go with **lower** post-test confidence.
- Among the *overconfident*, higher redistribution votes go with **higher** post-test confidence.

- Sign flip matches ego-protection mechanism:

  Disappointed participants with higher redistribution votes believe they did better.

  Satisfied participants who voted for higher redistribution seem to have done so understanding they were benefited.

Mechanism Check: Votes → Perceived "True" Inequality

Group	Coef.	(SE)
Modest	0.0009	(0.0019)
Overconfident	**-0.0027**$^{+}$	(0.0014)
	SE: clustered by session	

- Overall weak; among overconfident, a marginal **negative** association with perceived true Gini.
- Weak evidence that personal (ego-relevant) beliefs respond more than abstract system beliefs.

Conclusion

Findings

- Expectation shortfalls $\Rightarrow$ self-image maintenance (luck attributions) $\Rightarrow$ higher redistribution.
- Ideology explains redistribution only when expectations are met.
- Good news is sticky; negative/neutral news processed more Bayes-like.

Implications

- Expectation management: overselling meritocracy risks backlash (Sandel, 2020).
- Unmet expectations might partly explain recent political shifts.

Limits & Next steps

- Modest stakes, short-run updating.
- Proxies are noisy by design.

Thank you!

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