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SOCIAL IMAGE AND ECONOMIC BEHAVIOR IN THE FIELD:
IDENTIFYING, UNDERSTANDING AND SHAPING SOCIAL PRESSURE

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Social Pressure

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ABSTRACT

Many people care about how they are perceived by those around them. A number of recent field experiments in economics have found that such social image concerns can have powerful effects on a range of behaviors. In this paper, we first review this recent literature aimed at identifying social image concerns or social pressure. We then highlight and discuss two important areas that have been comparatively less well-explored in this literature: understanding social pressure, including the underlying mechanisms, and whether such pressure can be shaped or influenced.

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1 Introduction

Is image everything? In many of our social interactions and relationships, we would like to be thought of in a particular light. We might want others to think that we are rich or successful. Or we might care whether others think we are altruistic, civic minded or pious. Or we might instead want to avoid being thought of in certain ways, such as not wanting to be viewed as a “nerd” or a “wimp.” Concerns about presenting a particular social image may affect behavior in many ways in our day-to-day lives, including the things we buy, the way we speak or dress, how hard we work at our job or whether we get involved in social, political or community activities.

Social pressure or concerns about image have been examined in theoretical work spanning a range of different literatures in economics, including signaling (Spence 1973), identity (Akerlof and Kranton 2000, 2010), norms (Bénabou and Tirole 2011, Acemoglu and Jackson forthcoming), status goods (Veblen 1899, Frank 1985, Leibenstein 1950, Bagwell and Bernheim 1996), conformity (Bernheim 1994), and motives for pro-social behavior (Bénabou and Tirole 2006). A more recent literature in economics has used novel field experiments to test for evidence of such social pressure or social image concerns. In this paper, we evaluate this recent literature and lay out what we consider to be the most important directions for future research.¹

This recent field experiment literature suggests that a wide range of behaviors are influenced to a surprising degree by social pressure or concerns about social image. Effects have been found in areas as diverse as education, consumption and investment decisions, effort in the workplace, voting and charitable giving. And such effects have been found in a wide range of populations, from low income, Hispanic high school students in Los Angeles to rural, largely white voters in Switzerland. Further, several of these studies have found that individuals are often willing to incur considerable costs, or forgo considerable benefits, in making choices that yield to or reflect concerns over their social image, compared to what they would do in the absence of such concerns. Though image may not be everything, social pressure can be a powerful motivator of behavior. Thus, our first objective in this paper is to review the recent empirical literature *identifying social pressure* across a range of settings. We pay particular attention to the challenges associated with testing for social pressure and the empirical approaches that have been applied to overcome them.

Although this first wave of literature has documented that social image concerns influence behavior, much less is known about important questions at the core of *understanding social pressure*. For example, what are the mechanisms underlying social image concerns? What specifically are individuals trying to signal to others? Are social image concerns purely instrumental or are they also hedonic? What is the role of self-image/identity in shaping social pressure effects? Moreover,

¹Similar themes also arise in psychology and sociology; for example, see Ross and Nisbett (1991) and Goffman (1959). A number of empirical studies in these disciplines (including the classic conformity experiments by Asch 1951), and a number of lab experiments in economics, have explored similar themes. We confine our focus to the contributions from recent field experiments in economics.

what are the welfare effects of social pressure, and can they be quantified? Understanding social pressure is the natural next step in this literature, and our second objective in this paper is to discuss existing and potential new work on these issues.

As our review of the literature will show, social pressure may often lead to undesirable outcomes. For example, students might feel the need to signal that they are “cool,” so they avoid making educational investments. Consumers might feel the need to signal wealth so they engage in wasteful conspicuous consumption. Individuals might feel the need to signal that they are against female employment, or against gay marriage, so they engage in discriminatory actions. How can the effects of social pressure be undone in such cases? The inherent difficulty associated with changing these effects is that social pressure usually comes from societal coordination on what is socially desirable. There is nevertheless still some potential for *shaping social pressure*, which we view as an additional natural next step in the literature. Our third objective in this paper is to therefore outline potential areas for future work on this topic.

The remainder of this paper proceeds as follows. We begin in Section 2 by introducing a simple framework that helps organize the key concepts behind social image concerns. In Section 3, we review the recent empirical literature testing for social image motivations. In Section 4, we discuss the importance of understanding social pressure, highlighting open questions and avenues for future research. In Section 5, we discuss the potential for social pressure to be shaped (or, when it cannot, how its ultimate effects may be influenced) and priorities for future work. Section 6 concludes.

2 A Simple Framework

To help guide the discussion below, we begin by laying out the concept of social image. Many actions that one might undertake are observable by others and may send a signal about one’s type. The type can be any attribute that a person may care about, whether economic, social, political or religious, just to name a few examples.

We adapt and expand the framework in Bénabou and Tirole (2006), and assume that an individual exhibits social image concerns when her utility depends on the posterior expectations of her type held by others, conditional on observing her behavior. Formally, consider an individual i with reference group j , undertaking a visible action $a_i \in \{0, 1\}$ that might reveal information about i ’s type $\sigma_i \in \{l, h\}$. Let us assume that being of type h (“high” type) is more socially desirable within reference group j than being of type l (“low” type). We define the social image term S_{ij} in i ’s utility function as:

$$S_{ij} = \lambda_{ij} E_i(\omega_j) \Pr_{-i}(\sigma_i = h \mid a_i). \quad (1)$$

In this equation, $\Pr_{-i}(\sigma_i = h \mid a_i)$ represents the probability that other individuals in the reference group think that i ’s type is h conditional on observing i ’s choice of action, a_i . The term $E_i(\omega_j)$

corresponds to i 's expectation about the social desirability, ω_j , of being seen by group j as type h .² Since being of type h is socially desirable, $\omega_j > 0$. Finally, λ_{ij} measures how much individual i cares about being perceived by group j as being of type h . If $\lambda_{ij} > 0$, then i is a *conformist*; if $\lambda_{ij} < 0$, then i is a *contrarian*, and if $\lambda_{ij} = 0$, then i does not care about her image or what others think about her type. For any non-zero level of λ_{ij} , individual i is subject to concerns about social image and is therefore subject to *social pressure* from group j .³

There are a number of points worth emphasizing within this simple framework. First, different groups may have different ω_j 's. For example, one group may regard piousness, such as revealed by religiously adherent behavior, as socially desirable, while a more secular group may regard it as undesirable. Such groups may even exist in close proximity to each other. For example, one group of students in a school may reward studiousness or academic success while another group in the same school punishes it.

Second, and related, an individual may care about how they are perceived by more than one reference group (where those different groups may again also have different ω_j 's). For example, Austen-Smith and Fryer (2005) present a two-audience signaling model in which an individual may care about how they are perceived by their peer group as well as by potential employers. And although in some situations an individual may be able to choose some actions that are observable to only one group and others observable only to the other, in some cases the same action may be observable to both. In the Austen-Smith and Fryer (2005) case, the choice of education investments is an example of the latter. In cases like this, the individual faces a sharper tradeoff, since a particular behavior may be viewed positively by one reference group and negatively by the other.

Third, individuals may have different actions available to them that differ in their observability. For example, in the education context, one can study at home to try to do well in school, which will largely be unobservable to peers. But raising a hand in class or attending a review session or academic club will be observable. Similarly, they may be able to engage in different types of actions that affect others' perception of their type differently. Individuals who worry that a particular behavior may cause others in the group to update their beliefs about their type in a particular direction may be able to choose another action that causes the group to update in the opposite direction. Thus, a woman in a traditional, conservative society who worries that others will believe she is not religiously pious because she takes a job outside of the home may engage in some other overtly religious behavior or display to counter the signal of taking the job.

²The social image term in the utility function might arise from instrumental or hedonic reasons. We do not take a stand here on which of these two reasons explain that term. We discuss more on this distinction below.

³Perhaps it might seem more natural to think that individual i faces social pressure from group j only if she wants to act in a way that she thinks is socially desirable within that group (i.e., if she is a conformist). However, if she is a contrarian, she will also feel pressured, but to act differently from what is socially desirable.

3 Identifying Social Pressure

3.1 Empirical Approach

It is not difficult to find common examples of behaviors that appear to be driven by image concerns. However, the ability to test for such behavior more rigorously, and to rule out alternatives that may be observationally equivalent, requires a more systematic approach. To consider the empirical implications of social image, we can embed the conceptual framework in Section 2 within a random utility model. Assume there is latent variable \tilde{a}_i capturing the desirability of some action a_i , such as whether to vote, donate to charity or undertake some schooling investment. The underlying utility is a function of a social image component, as above, as well as some benefits and costs, B_i and C_i , that are unrelated to image concerns, and which may also be individual-specific,

$$\tilde{a}_i = B_i - C_i + \lambda_{ij} E_i(\omega_j) \Pr_{-i}(\sigma_i = h | a_i) + \epsilon_i, \quad (2)$$

where ϵ_i is a random variable. The researcher observes whether the action was undertaken based on whether the (unobserved) net utility is positive or negative, so that $a_i = 1$ if $\tilde{a}_i \geq 0$ and 0 otherwise.

This framework identifies a number of factors that produce social image concerns and can guide empirical testing for such effects. In particular, the social image term in an individual's utility depends on: how others in the group update their beliefs about i 's type based on i 's behavior, $\Pr_{-i}(\sigma_i = h | a_i)$; how socially desirable being of type h is to the relevant group, ω_j ; individual i 's belief about that social desirability, $E_i(\omega_j)$; and how much the individual cares about being perceived as type h by that group, λ_{ij} . Variation in any of these factors (provided they are not also correlated with B or C) can in principle serve as a test of social image concerns.

The central challenge however is that even if such factors could be measured, identify convincing, exogenous variation in any of them is extremely challenging. For example, it is difficult to imagine empirical strategies that can identify exogenous variation in how much an individual cares about what others think about them, or how a group rewards or punishes certain types (though below, we will discuss recent work that exploits variation in individuals' beliefs about this last factor). Therefore, one approach common in the recent literature has been exploiting variation in $\Pr_{-i}(\sigma_i = h | a_i)$, either via natural experiments or randomized controlled trials. In particular, many of these studies have examined variation in whether information or behavior is either kept fully private or shared with others. When the probability that others update their assessment of your type is zero because the behavior is not observable, the social utility term drops out. The broad reasoning is that if one is free to make choices in such a way that peers will not observe the outcome, the individual will choose what they privately consider to be optimal. But social image concerns will be turned on when behavior will be public and observable to others (or when

the individual believes it may). The difference in behavior between public and private formats is therefore considered a test of social image concerns.

This test on its own course may not be sufficient to perfectly isolate image concerns from other considerations. It still remains important to rule out other ways in which making actions private may also affect behavior. For example, there may be differences in behavior driven entirely by general concerns over privacy itself, rather than image. Alternatively, private action shuts off the possibility of social learning (e.g., if you are able to see whether others undertake an action, you may update your beliefs about any uncertain aspects of the costs or benefits of that action). In addition, making actions private may weaken externality effects; an individual may only want to engage in certain behaviors if they know others are also going to do so. For example, a student may be more likely to agree to attend a study session if they know others will as well because there are externalities in consumption (it is more fun to study with others) or production (studying may be more effective when many people participate). Thus, a strategy of altering Pr_{-i} may also change B (or expectations of B) which has its own independent effect on \tilde{a}_i . Further, making the action private may also change other factors that affect decision-making, such as costs, C ; for example, takeup of a food assistance program may increase when benefits switch from paper stamps to electronic benefit transfer (EBT) cards not just because of the increased privacy and reduced image concerns, but because the cards lower transactions costs (they take less time and are much easier to use and store than carrying around and counting out stamps in the market). Finally, whether for experimental or non-experimental designs, it is also important to make sure that the context and environment for the public and private settings is as similar as possible. For example, comparing donations when people are asked in front of others during the day at the workplace to donations when people are asked privately via computer at home at night or on a weekend may capture many other effects.

And of course, even aside from these concerns, this simple test will not tell us about the underlying mechanism behind the image concern; we return to this issue in more detail in Section 4 below.

Tests for social image concerns based on varying Pr_{-i} can then be further refined by exploiting some reasonable or measurable variation in λ or ω (or the individual's expectations or perceptions of ω) and examining heterogeneous responses. For example, if we assume that ϵ has some distribution F , then in the latent variable model above we would arrive at the effect of a change in the likelihood that the individual undertakes the action as a function of changing the observability of that action as,

$$\frac{\partial F(B_i - C_i + \lambda_{ij}E_i(\omega_j)\text{Pr}_{-i}(\sigma_i = h | a_i))}{\partial \text{Pr}_{-i}(\sigma_i = h | a_i)} = \lambda_{ij}E_i(\omega_j)F'(B_i - C_i + \lambda_{ij}E_i(\omega_j)\text{Pr}_{-i}(\sigma_i = h | a_i)), \quad (3)$$

from which it is easy to show,

$$\frac{\partial^2 F(B_i - C_i + \lambda_{ij} E_i(\omega_j) \Pr_{-i}(\sigma_i = h | a_i))}{\partial \Pr_{-i}(\sigma_i = h | a_i) \partial \lambda_{ij}} > 0 \quad (4)$$

and

$$\frac{\partial^2 F(B_i - C_i + \lambda_{ij} E_i(\omega_j) \Pr_{-i}(\sigma_i = h | a_i))}{\partial \Pr_{-i}(\sigma_i = h | a_i) \partial E_i(\omega_j)} > 0. \quad (5)$$

In other words, the effect of reducing the signal sent by action a should be greater when the individual cares more about what others think about their type (greater $|\lambda_{ij}|$). For example, we might care more about the opinion of our type held by those we interact with more or are friends with than those we interact with less or who are strangers. Or there may be some individuals who in general care more about the opinions of others regarding their type. Similarly, in places where there is greater social approval (or disapproval) of being of a particular type (greater ω), such as being in an environment where norms of behavior are much stronger, then making it more difficult for individuals to update their beliefs about your type should have a greater effect. And in the extreme cases where either factor is 0, we should expect that changing \Pr_{-i} should have no effect at all on whether an individual undertakes the action. Although it may not often be possible to obtain exogenous variation in λ or ω , such variation may still at least provide additional suggestive supporting evidence following a primary test with exogenous variation in \Pr_{-i} .

3.2 Review of Recent Literature

Although there have been quite a number of recent studies of social image concerns, many focus on a few common topics. We organize our review around those topics.

Voting. A number of papers have discussed social image concerns as a potential explanation of the “voting paradox,” i.e., why so many people vote when the returns to doing so are very low in expectation and the costs can be substantial. The idea common to the studies below is that voting represents a fulfillment of civic obligation and a participation in and contribution to society (and thus not voting represents shirking from these responsibilities). People may therefore vote because they want others to see or know that they voted, and will thus think of them as being civic minded or public good oriented, and doing their part to contribute to society.

Funk (2010) examines the possibility of social pressures in voting by taking advantage of a natural experiment created by the introduction of optional voting by mail in Switzerland. When voting can only be done in person, it makes the act visible; so not voting causes others to update their beliefs about your civic type. By contrast, the option of voting by mail reduces that visibility, and potentially allows someone to forgo voting with less concern that others can infer information about their type. The study finds that the vote-by-mail option had little effect on voting overall,

despite the substantial reduction in voting costs.⁴ However, there is a big reduction in voting in smaller communities, with little effect in larger communities. The interpretation is that in smaller communities, people know each other to a greater extent and are more tightly linked to the community (thus, potentially a greater λ). And the smaller setting also means that your social group was more likely to know whether you voted in person prior to the change; accordingly, the change in Pr_{-i} induced by the reform was greater in these communities. Thus, the conclusion is that more people in small communities were likely voting just because they wanted others to know they were voting, due to social image concerns, rather than because they actually wanted to vote. The vote-by-mail option shut off some of the social image effects by reducing the signal contained in (not) voting.

A more direct test of social image effects associated with others knowing whether we vote comes from the large scale experiment conducted by Gerber et al. (2008). During a 2006 primary election in Michigan, the authors sent around mailers to households that effectively randomly varied beliefs about whether others would know whether the household members had voted. In particular, one version of the mailer included a list of the voting records of the household and their neighbors, and also stated that an updated mailer would be sent after the primary. Thus, individuals would likely infer that their neighbors would learn if they did not vote in the primary. The authors find that the treatment increased voting dramatically (8 percentage points), despite having changed nothing else about the non-social benefits or costs (B or C) of voting.

DellaVigna et.al (2016) also build on the idea that individuals face a loss of utility if others know they did not vote (e.g., shame or stigma of being seen as a low civic type) and a gain if others know they did (e.g., pride). However, unlike the cases above whether others might directly observe whether an individual voted, a more common possibility is that others may ask each other whether they voted. If there is a cost of lying, some people may vote just so that they can truthfully say that they did when asked. In their experiment, they leave flyers on the doors of homes informing that they will return the next day to conduct a survey. They randomly vary whether the flyer informed them that the survey taker would ask whether they had voted in a recent congressional election. The authors knew from separate data whether the individuals had in fact voted. They find that those who had not voted were 20 percentage points less likely to answer the door to participate in the survey when the flyer mentioned they would be asked about voting, compared to when it did not. This is consistent with stigma or shame in having to reveal that they did not vote; this is despite the fact that the survey takers were likely strangers who the household would never interact with again, and thus we might expect λ to be low. By varying the incentives offered to participate in the survey, they also find that the value of avoiding telling the surveyor is on the order of the effect of a \$10 incentive (vs. \$0) to participate in the survey. Finally, they find that non-voters

⁴Although the natural experiment is not perfect, since C changed as well with this reform, we likely expect that cost reduction would have led to an increase in voting, the opposite of what is predicted by social image concerns.

are more sensitive than voters to incentives to say on the survey that they did not vote (a shorter survey or a payment). Overall, they conclude that the value of voting just because you might be asked is about \$10-\$15, which they argue could account for observed levels of voter turnout. In general, however, these effects were found for wanting to avoid stigma; there were no comparable pride effects of being able to truthfully tell someone that you voted. The authors then run a field experiment where they inform people before an election that they will conduct a survey after the election that will ask whether they voted. They find a 1.3 percentage point increased likelihood of voting in the 2010 congressional election, but a smaller and not statistically significant effect in the higher turnout 2012 presidential election.

The studies above all infer the presence of image concerns from behavior. Gerber et. al (2016) provides additional supportive evidence of the social stigma or rewards associated with voting. Using data from a survey as well as from Amazon’s MTurk, the authors find that people described in hypothetical vignettes are given lower social evaluations (whether the respondent has a positive impression of the person, respects them or thinks they are responsible) if they are described as not having voted.

Outside of voting, but still within the analysis of political behavior, Bursztyn et al. (2016c) study the role of self- and social image in the expression of anti-Americanism among young men in Pakistan. The authors experimentally identify subjects’ willingness to pay to preserve their anti-American self-image by imposing clearly-specified financial costs on anti-American expression, with minimal consequential or social considerations. About one-quarter of subjects forgo payments from the U.S. government worth around one-fifth of a day’s wage to avoid a self-image threatening choice: *anonymously* checking a box indicating gratitude toward the U.S. government. When subjects anticipate that rejection will be observable, rejection *falls*, indicating that social image concerns—conformity to the majority—dominate self-image concerns. These results suggest that even among individuals with strong self-image concerns (or a strong identity), social image incentives toward conformity to the majority might be effective at changing public expression of views. This again highlights the power of social image.

Education. Models of the “Acting White” hypothesis (Fordham and Ogbu 1986 and Austen-Smith and Fryer 2005) suggest that minority students may face social punishments from their peers if, for example, they try hard in school. In essence, revealing effort towards doing well in school signals that an individual is a low “social type” who can’t be counted on as a member of the group.

Consistent with this hypothesis, Fryer and Torelli (2010) find that over a certain threshold, a higher GPA in school is associated with lower social status (an index of friendship networks) for black and Hispanic students. The effect is not however found for white students. Within our framework, the argument is that minority groups feature a greater social value to being of a high social type (greater ω) because the group has more to lose if members defect. So exerting observable effort and revealing a low social type is much less desirable.

Consistent with social image concerns, Bursztyn and Jensen (2015) show that students alter their schooling investments when their decisions are revealed to their peers. They demonstrate this with both observational data and a randomized experiment. In the former, remedial students using a computer-based learning system designed to help them prepare for a high-stakes high school exit exam attempted fewer questions when a leaderboard was introduced that would reveal the top performing students in the class. Regarding the latter, in an experiment conducted in two Los Angeles high schools where almost all students are Hispanic, students were offered complimentary access to an online SAT prep course. The authors vary only whether student's were told whether their decision to sign up would be kept private from their classmates. They find that sign up is lower in non-honors classes when it will be revealed to peers compared to when it will not. By contrast, there was no effect in honors classes (where ω_j for being a high social type is likely to be lower). Among students who take both honors and non-honors classes, the possibility that sign up will be revealed to classmates results in lower sign up when they are in one of their non-honors classes (where few classmates sign up, even when the decision will not be revealed) and higher sign up when in one of their honors classes (where most others sign up). This indicates that students choose to conform to the locally prevailing norm within the group (reflected by ω_j), consistent with concerns over social image within the group. Finally, additional evidence supportive of image concerns is found in the fact that the response to making the decision private rather than public is greatest for those students who report that it is more important to be popular (thus, a higher λ_i). The latter two results are examples of the supplemental tests for social image concerns discussed in Section 3.1.

Bursztyn, Egorov and Jensen (2016) build on this experiment, but focus on identifying separate mechanisms behind image concerns. In particular, they examine whether students act to avoid stigma associated with high effort or stigma associated with revealing low ability. In particular, they add a lottery to a similar experiment as Bursztyn and Jensen (2015), so that students who sign up for an SAT preparatory package only win the package with some probability (25 or 75 percent; though in the “public” condition, students believe the choice to sign up will be revealed regardless of whether they win). The experiment adds an SAT diagnostic test score that is also believed to be made public in the public condition if the student wins the prep package and uses it, thus potentially revealing ability. They find that in a lower income, high minority share school, when the sign up decision is public, students are more likely to sign up when the probability of winning the course is higher. The interpretation is that if students are going to incur a stigma cost just by signing up, they will be more likely to sign up when the likelihood of winning is greater. By contrast, in a higher income, lower minority share school, students are less likely to sign up when the chances of winning the package are greater. The interpretation here is that if students face stigma for being low ability, then low ability students can sign up for the course, which reflects positively on ability, without much of a risk of winning the package and having their ability revealed. And as above, the

results are strongest for those students who think being popular is more important. Further, the authors elicit measures of ω_j for the two schools; in particular, focusing on ability as one relevant type that students maybe be concerned with, they find that the schools differ greatly in whether being high ability is important for being popular in that school. And it is in the school with the greater ω_j for ability, the higher income, lower minority share school, that sign up is greater in the public setting when the likelihood of winning (and thus having ability revealed) is lower.

Bursztyn et al. (2016a) provide evidence suggesting that single women might face tradeoffs created by different incentives in the labor and dating markets. Some actions that help them in the labor market might hurt them in the dating market, because these actions signal that they are “acting male.” The authors find that in a survey to be used by students’ career advisers, single, female MBA students under-report their financial ambitions, their willingness to have longer work hours and to travel for work, and some of their personality traits (such as ambition and leadership in day-to-day interactions) when they believe that their classmates will observe their choice. These effects are much weaker among married female students (who do not feel the need to signal to both markets) and are not present among male students.

Charitable giving. Donating to a worthy cause is certainly viewed by many as a virtue, and many people wish to appear to others to be generous or to care about others who are disadvantaged or about other good causes. DellaVigna et al. (2012) conduct a field experiment involving door-to-door fund raising for a local children’s hospital and an out-of-state charity. The experiment randomized whether households received: a flyer on their door telling the resident that they would return the next day at a specific time to ask them to donate; a similar flyer but with an additional box allowing the resident to request that they not be disturbed; or a regular, unannounced solicitation at the door, with no flyer at all. They find that households are less likely to answer the door when they receive either of the flyers. This result is consistent with households facing social pressure to donate; they would prefer not to, but also wish to avoid the social image concern associated with having to tell a person face-to-face that they do not want to donate.

Effort in the workplace. Social image concerns have also been explored in a number of workplace settings. For example, Mas and Moretti (2009) find that when more productive cashiers in a super market enter a shift, other workers experience productivity gains as well. However, these effects are only for those who are in the line of vision of the more productive worker, thus making effort observable, and zero otherwise. Further, the effects are greater among workers who interact more with the more productive worker. These results suggest workers exert more effort due to social pressure; workers that can be seen work harder because they want to be seen as a good worker or a hard worker by their more productive peer. And the pressure is greater more when the other party is someone whose opinion they presumably care about more. The test also allows the authors to separately test social image concerns from externalities or learning, since these latter factors should affect all workers in the shift, not just that the more productive worker can see themselves.

Other studies focusing on the value of awards and recognition in the workplace may also reflect effects driven by social image concerns (though in many of these cases we cannot rule out some alternative explanations). Ashraf et al. (2014a) find that among Zambian health workers, the possibility of having performance recognized in a newsletter improves performance. Ashraf et al. (2014b) show that condom sales in Zambia can be promoted effectively by non-financial rewards. Kosfeld and Neckermann (2011) find that students hired for a simple data task worked harder when they were told in advance that there would be a public recognition of top performers. Since this was a short term job with no opportunities for gains, and the award carried no financial gain, social image concerns likely account for the improvements in effort. The effect of awards can also operate through status competition. Ager, Bursztyn and Voth (2016) find evidence consistent with this motivation among German pilots in World War II: peers of pilots who were publicly recognized with symbolic awards tried harder, increasing their score of aerial victories significantly during the next months.

Consumption and financial investments. A long theoretical tradition has modeled the effects of social image on consumption and investment decisions. For example, Veblen (1899) introduced the notion of conspicuous consumption to describe the idea that households may spend on expensive or luxury goods that are visible to others as a way of signaling high economic status. The desire for such “status goods” may lead to wasteful spending and welfare losses (Frank 1985). Each individual’s consumption of such a status good creates a negative, “positional externality” on others, who may then respond by consuming more of the status good themselves, and creating a feedback loop (Hopkins and Kornienko 2004). Producers may exploit such effects by creating “fashion cycles,” which may lead to a socially inefficient level of production of status goods (Pesendorfer 1995).

A number of recent studies have found empirical evidence consistent with such effects. For example, Charles et al. (2009) find that minority households in the U.S. devote a larger share of their budget to visible goods than otherwise comparable white households, consistent with lower income households trying to signal a high economic type. Similarly, Heffetz (2011) finds that goods whose consumption is more visible to others, such as jewelry or clothes, are more responsive to income than less visible goods such as utilities or food consumed at home. Similarly, Bertrand and Morse (forthcoming) find that households increase the share of the budget they devote to visible goods when they are exposed to wealthier households with greater consumption levels. Two studies have examined such effects through analyzing the behavior of individuals who live next to lottery winners. Using data from Canada, Agarwal et al. (2016) find that such households are more likely to file for bankruptcy later, and Kuhn et al. (2011) find that such households in the Netherlands have higher levels of expenditures on cars. Both results suggest consumption choices based on an effort to keep up with neighbors.

Evidence for conspicuous consumption is also found in developing countries, even for very poor households, such as through large expenditures on weddings or other celebrations or festivals

(Rao 2001, Bloch et al. 2004). Bursztyn et al. (2016e) conduct a field experiment with a bank in Indonesia offering customers a “platinum” credit card that is restricted to the wealthiest individuals, thereby serving as a symbol of status and success. The authors show that, even conditional on holding instrumental benefits fixed, there is a significant demand simply for the platinum card. The greatest demand came from those with lower incomes, who presumably have a greater need to signal high economic status than those who are wealthier. Further consistent with the desire to shape the image they present to others, platinum cardholders are more likely to use the card in social situations, such as restaurants and bars, where the card is likely visible to others (by contrast, there are no effects on non-visible uses of the card, such as online purchases). Finally, the paper provides experimental evidence of positional externalities in the marketing of elite credit cards, consistent with models of status goods and fashion cycles.

Though not quite directly a function of social image, a number of studies have considered the role of social comparisons in behavior such as financial decisions. The theoretical literature describes a “keeping up with the Joneses” effect whereby households have preferences that may include their consumption relative to others (e.g. Abel, 1990, Gali, 1994, Campbell and Cochrane, 1999, DeMarzo et al., 2004, DeMarzo et al., 2008). On the empirical side, Bursztyn et al. (2014) conduct a randomized controlled trial with paired peer clients of a brokerage firm in Brazil. One of the investors would first be offered the opportunity to enter a lottery to purchase a new financial asset. The second investor was then also offered the same opportunity, with the experiment varying whether they learned about the choice of the first investor. They find that the second investor is more likely to want to purchase the asset if they learn that the first investor chose to enter the lottery. As in the models of Banerjee (1992) and Bikhchandani et al. (1992), this result could just be driven by social learning (the second investor infers something from first investor’s choice about the desirability of that asset) rather than image concerns. However, the increase for the second investor is greater when the first investor wins the lottery and is actually able to purchase the asset; this suggests an independent social utility (or “keeping up with the Joneses”) effect over and above any learning effect.

Related effects. A number of other studies have found that “peer comparison” interventions, providing individuals with information about others, can change behavior. For example, a number of studies have documented that providing home energy reports that include a household’s energy use as well as the energy use of those around them can reduce energy use by those consuming more than those around them (e.g., Alcott 2011, Ayres et al. 2013 and Costa and Kahn 2013).⁵ However, it is less clear that such policies reflect social image concerns. They may for example just provide new information to the consumer, namely that they are using more energy than others, which may cause them to explore why that is the case. The effect may in the same way also involve

⁵ Similar effects have been found for charitable donations (Frey and Meier 2004, Martin and Randal 2008) and tax compliance. Ashraf et al. (2014a) by contrast find that social comparisons in the workplace lead to a negative impact on productivity; workers would rather exert low effort in order to not learn about their true underlying ability.

concerns about self-image (people may not want to see themselves as using more energy than others, regardless of whether anyone else will ever know). However, in these cases, the individual's information is not revealed to others. So unless these interventions also cause the individual to feel more compelled to share this information, or if such interventions cause people to talk about it with their neighbors and people don't like to lie, as in DellaVigna et al. (2016), it is less clear that social image concerns drive such effects.

4 Understanding Social Pressure

Though there is now a body of empirical evidence indicating that social pressure matters in a variety of settings, a number of questions remain open that are central to understanding these effects.

4.1 Mechanisms Underlying Social Pressure

Even if one is able to identify that behavior in a particular setting is affected by concerns of social image, understanding what drives these concerns is very important.

For example, there may be several different underlying social image motivations that may underlay why in a particular situation individuals change their behavior when it is observable to others. And it may be important to establish not just *whether* individuals change their behavior, but *why*. Consider the case of education. As noted above, Bursztyn, Egorov and Jensen (2016) examine how social pressure may affect educational investments in both a lower income, high minority share school and a higher income, lower minority share school. They test two very different underlying social pressure mechanisms. In particular, in addition to a mechanism where effort is stigmatized (or, being of a high social type is rewarded) as in models of Acting White, the authors introduce a second mechanism, where ability is rewarded (or, being of low ability or a low economic type is stigmatized). Under this second mechanism, some students (specifically, those with lower ability) may choose not to sign up for an SAT prep course if doing so will also reveal something to others about their ability or economic type. Thus, under both mechanisms, we might find the same general result that making an educational choice (here, the decision to sign up for a free SAT preparatory package) more visible to others reduces sign up. Without a second model, or the more refined test described above, we might have just concluded from seeing lower sign up in both schools when decisions are public that the Acting White hypothesis was more widespread than previously thought, or in other words, that one mechanism was common to both types of schools. Yet despite yielding similar net effects, the two underlying mechanisms are very distinct, as are their implications for understanding both behavior and potential policy approaches. Policy approaches cannot be one-size-fits-all when very different underlying mechanisms are at work, even when they appear to be having the same overall effect on behavior. For example, in places where low ability

is stigmatized, when effort is observed and outcomes (for example, grades) are a better signal of ability when effort is exerted, we might consider policies where outcomes are kept private. In this case, low ability students can make investments (even pooling with the higher ability students in doing so) without fear of having their low ability revealed. By contrast, in schools where effort is stigmatized, we would want to make effort as difficult to observe as possible.

Similar examples may be found in many other settings. For example, in many traditional societies, men resist allowing their wives or daughters to work for pay outside of the household. There are many different social image concerns (and some concerns not related to image) that could drive such behavior. For example, men may fear that allowing their wife to work signals low economic status, since only the most poor and desperate households would need to resort to sending women to work. They might thus also worry that having a working wife will be taken as a signal that the husband is not capable of supporting his own family. Alternatively, men may feel that allowing their wives to work would signal that they are more generally not adherent to local cultural or religious beliefs or practices. Alternatively, men may feel that allowing one's wife to work will be taken as a signal of being not very "manly," because they are not able to control their spouse's behavior, or because of the belief that women who work will assert themselves in other ways, or will learn other attitudes or behaviors in the workplace.

Overall, despite the fact that many social image concerns can generate observationally equivalent results, and despite the importance of understanding the mechanism underlying social pressure, considerably less empirical work has focused on this issue. It therefore remains an important next direction for future research.

4.2 Instrumental vs. Hedonic Motives

Although many of the studies referenced above examine social image in the context of a person's usual social setting (classroom, workplace, etc.), several do not. DellaVigna et.al (2016) for example find that people don't want to reveal to a survey taker who knocked on their door, who they presumably would not have not known and not necessarily have expected to ever see again, that they did not vote. Similarly, DellaVigna et al. (2012) find that when they are asked face-to-face, people donate money that they would rather not donate, just to avoid creating a negative social image to a stranger that they will interact with for only a few moments at the door and then most likely never see again.

Such results suggest that social image concerns can't all be driven by future expected gains or instrumental effects. The respondents in these two studies likely did not expect that they would lose or gain anything in future interactions with the individual who came to their door. However, we can't rule out some alternative explanations for these results. For example, it is possible that once a particular behavior is established, people are just consistent (so the fact that you don't want to tell your friends that you didn't vote carries over to your interactions with others). It is also

possible that the respondent doesn't want to lie (or appear not to care about the good cause for which the donation is solicited) in front of any family or friends who may be nearby when they answer the door. Alternatively, respondents may actually believe that there is a chance that they have some connection to the interviewer (now or in the future). Finally, they may worry that the information they provide on the survey might not truly be confidential, and thus the response they give will be shared with others who they know.

Future work should explicitly examine the extent to which purely hedonic motives shape social image concerns. Understanding this subject is of more than purely academic interest. If social image concerns are entirely driven by instrumental incentives, interventions that precisely change these incentives can undo the effects of social pressure. On the other hand, if hedonic motives play a role, simply reshaping these instrumental incentives might not be enough.

4.3 Self- vs Social Image

Economists have devoted increased attention to the role of self-image considerations in explaining behavior (e.g., Akerlof and Kranton 2000, Bénabou and Tirole 2003, 2006). Fully identifying and isolating self-image concerns is particularly challenging: we need to analyze behavior in which we are certain that the private cost of expression exceeds any anticipated consequential or social benefits. A few recent papers have attempted to isolate the role of self-image in political settings. Kamenica and Brad (2014) test for intrinsic (expressive) motives for voting behavior, using direct elicitation in a lab setting with student subjects. As noted above, Bursztyn et al. (2016c) identify Pakistani men's willingness to pay to preserve their anti-American identity using an experiment imposing clearly-specified financial costs on anti-American expression, with minimal consequential or social considerations. Around one-quarter of subjects forgo bonus payments from the U.S. government worth around one-fifth of a day's wage to avoid an identity threatening choice, namely anonymously checking a box indicating gratitude toward the U.S. government. The literature on moral suasion indirectly provides evidence of the importance of self-image concerns. Dal Bó and Dal Bó (2014) use lab experiments to study how moral messages affect contributions in a public goods game. They find that subjects who are sent messages highlighting a "moral norm" are more likely to contribute. Ito et al. (2015) find that reminders for voluntary energy conservation during peak hours generate reductions in energy consumption. Bursztyn et al. (2016f) find that a text message stating that "non-repayment of debts by someone who is able to repay is an injustice" substantially increases credit card repayment rates among late-paying customers of a large Islamic bank in Indonesia.

In light of the potential importance of self-image, it is important to be able to differentiate social image concerns from self-image concerns, since the two may often yield similar outcomes. For example, suppose we observe low take up of a welfare program, even though the benefits are high, the costs are low and information about the program is widespread. Though it is possible to infer that a concern over social image (such as stigma) plays a role in reducing take up, we also would not

be able to rule out that self-image plays a role. An eligible person who chooses not to take up the program may not want to admit to themselves or accept that they need help, or they may not want to feel like they can't take care of themselves or are dependent on the government. They might also have attitudes about self-help, individualism or the role of the state in an individual's life that would be inconsistent with accepting welfare. Self-image concerns, though potentially important as well, represent a very different mechanism and a different set of policy challenges and implications. Even if we could for example design policy in a way that would others from knowing you were accepting welfare payments, an individual with these self-image concerns may still not sign up.

Very few studies have attempted to separately test the two mechanisms. Grossman (2015) tests for the effects of self image and social image in giving via a lab experiment. The core of the tests involve varying the likelihood that the individual's choice will actually be implemented and the information that will be revealed to others (the actual choice; only the outcome; or the outcome and the likelihood that the individual's choice would be implemented). They find evidence of social image concerns but not self image concerns in their setting.

Of course, in a number of situations, individuals might actually be faced with *both* self- and social image concerns. In Akerlof and Kranton (2000), the social aspect is crucial: "identity is based on social categories." (p. 718). To our knowledge, little empirical work has been done to understand how the two image motives interact. Bursztyn et al. (2016c) study how social image motives shape Pakistani men's decision to publicly express an anti-American action. In a context in which a minority of subjects have a strong anti-American identity, it is *ex ante* not obvious in which direction the net effect of social pressure would go. On the one hand, it is plausible that "moderate" subjects may feel pressure to act like anti-Americans. On the other hand, because those with anti-American identities are a minority, it is conceivable that they will wish to conform to the majority around them and not act in an anti-American way. The authors find that when subjects anticipate that their behavior will be public, fewer individuals reject the bonus payments from the U.S. government. This suggests that in our context, a desire to conform to the majority behavior dominates any anticipated pressure from anti-American individuals: anti-American individuals with strong self-image concerns exhibit social image concerns that work in the opposite direction.

An open question relates to the type of complementarities between one's self-image and one's need to build social image. Conceptually, the interaction is ambiguous. It might be that one wants others to agree with one's high self-image (thus implying complementarities) or it might be that one does not need the approval of others when one has a very high image of one's self (case of substitutabilities). We believe that examining the relationship between self- and social image motives for behavior is a promising avenue for future research.

4.4 Welfare Implications and Quantifying Social Pressure Effects

Only a few papers in this literature have attempted to price social pressure effects. In the DellaVigna et al. (2012) door-to-door fund-raising study, an auxiliary experiment on the value of time (where respondents are asked to fill out a survey of varying duration, for varying amounts of compensation, where whether the survey is announced is also randomized) allow the authors to structurally estimate that the social pressure cost of saying no to a solicitor is \$3.80 for in-state charity and \$1.40 for an out-of-state charity. Using a similar type of manipulation, DellaVigna et al. (2016) estimate that the implied value of voting for the 2010 congressional elections just because others might ask (and the individual does not want to lie) is around \$10-\$15.

In Bursztyn et al. (2016c), by randomizing both the financial cost associated with rejecting a bonus payment offer from the U.S. government and the expected visibility of the choice of accepting the payment, the authors are able to price the social pressure effects, which they find to be around 200 Rs., or about 2/5 of day's wage in the studies areas in Pakistan. We believe that more work should be done to quantify social pressure effects, and to benchmark them against other elements that affect individual behavior.

However, even with these results, little is known about the full welfare effects of image-induced changes in behavior. Several studies reviewed above have shown that social image effects can have effects on behaviors and outcomes with potentially significant implications for individuals, such as whether a household files for bankruptcy (Agarwal et al. 2016) or whether a student takes the SAT by a certain date (Bursztyn, Egorov and Jensen 2016) as well as for society more broadly (such as voter turnout or donations to charity). However, even with these potentially negative outcomes, the welfare implications are still less clear, both from the perspective of the individual and society. Further, the welfare consequences of such image concerns, or whether there is any policy rationale for intervention, will be related to whether they are driven by instrumental or purely hedonic motives.

The case of education provides an illustrative example of the challenges in drawing conclusions about the welfare effects of changes in behavior induced by social image concerns. Bursztyn and Jensen (2015) and Bursztyn, Egorov and Jensen (2016) both show that students are less likely to sign up for an SAT prep package (and for the latter, less likely to actually take the SAT by a certain date) due to concerns about their social image. However, two additional considerations arise. First, within the context of the two audience signaling model of Austen-Smith and Fryer (2005), students might indeed be better off working less hard in school (at least in those ways that are visible to their peers) in order to signal loyalty to the group. If the returns to signaling group loyalty are indeed stronger than the returns to educational effort that the student can expect to realize in the labor market, then students are behaving rationally by exerting lower educational effort. The returns to group loyalty may be economic (you may be able to find employment through the group network) or non-economic (such as the immediate and future social returns to being an accepted member of the

network). However, if the returns to exhibiting group loyalty are confined to largely short run social benefits (e.g., current period popularity) that come at the expense of genuine long run economic and non-economic benefits that could be attained with greater educational investment, and students heavily discount the future, then there may be a rationale for policy intervention. Beyond the two-audience signaling model, there is increasing evidence that social skills are rewarded in the labor market more generally, such as by reducing coordination costs within the workplace (Deming 2016). Students may be better off investing in developing social skills rather than academic performance. Overall, however, significantly more evidence is needed on the welfare effects of social image effects.

5 Shaping the Effects of Social Pressure

As noted, social pressure might lead to undesirable outcomes: students might feel the need to signal that they are “cool,” so they avoid making educational investments; consumers might feel the need to signal wealth so they engage in wasteful conspicuous consumption; individuals might feel the need to signal that they against female employment, or gay marriage, so they engage in discriminatory actions. Of course, image concerns or social pressure can also lead to what maybe be considered, either at the individual or societal levels, as more desirable outcomes, such as increasing educational effort when surrounded by honors peers or charitable giving. Notwithstanding the difficulties in determining the welfare implications of social image concerns in any of these cases, an important question is whether such concerns, or their effect on behavior, can be shaped.

The inherent difficulty associated with changing these effects is that social pressure usually comes from societal coordination on what is socially desirable. In our framework, each individual alone does not have the ability to affect ω_j , or in other words, whether something is considered socially desirable. However, this does not necessarily mean that the effects of social pressure cannot be influenced. First, there may be ways to attempt to change $\Pr_{-i}(\sigma_i = h | a_i)$, the signal others extract from i 's behavior, which would change the actual effects of social pressure without changing the underlying concern over social image. Second, it might be possible to change individual i 's *beliefs* about whether something is socially desirable, $E_i(\omega_j)$, which would change the effects of social pressure. Finally, if individual i cares less about the opinions of others (i.e., if λ_{ij} moves closer to zero), then regardless of the social desirability of an action, social pressure will affect that individual less. We now consider these possibilities. We should emphasize that the empirical evidence is very scarce on this topic. Thus, this remains a key area for future research.

5.1 Changing the Ability to Infer Type From Behavior ($\Pr_{-i}(\sigma_i = h | a_i)$)

One of the most direct implications from the studies reviewed above is the potential to affect social pressure through efforts to change how much others can infer about one's type when a behavior is undertaken. Examples include: altering whether actions (or outcomes) are observable; changing

whether programs are universal or whether they include mandates or defaults; weakening the signal contained in an observable behavior; and providing opportunities for countersignaling.

The results from Bursztyn and Jensen (2015) suggest in the education context that for lower income settings, outside of honors classes it might be best to limit the extent to which behavior is revealed, or limit the extent of recognition or honors for good performance. Students in these classes appear to be willing to undertake educational effort and investments to a much greater extent when they believe that their peers won't know that they have done so. However, we note that by contrast, in honors classes making effort more observable may be valuable. Students who were taking all honors classes were unaffected by whether their peers could observe their decision on whether to take up the SAT prep course. However, students who take some honors and some non-honors classes were more likely to sign up in their honors classes when the decision was public rather than private. Thus, it is important to understand the context in order to determine whether it is better to reveal or hide behavior.

An alternative, where feasible, would be to allow individuals to opt in for reporting. For example, for an honor roll, the school could allow students to decide whether they would like their name posted publicly. This will allow those students who want to do well but fear the stigma of doing so to keep their information private, while simultaneously allowing those who want to signal that they are doing well or are high ability to also do so.

There are many other examples where it might be feasible to change whether behavior is observable. For example, more social programs could be accessible via the internet and more payments could be distributed electronically. When welfare programs require showing up in person (e.g., standing in line at an unemployment office to apply for or receive benefits), there may be stigma associated with facing a worker at the facility, or with the risk of being seen there by others. Similarly, individuals may be reluctant to purchase contraceptives in a store where they might be observed. Efforts to make contraceptives more accessible via less observable settings than purchasing them in a store may affect the incidence of sexually transmitted infections or unwanted pregnancies. Similar effects might also be found for a range of medical goods that also must be purchased publicly at stores.

Another application of varying observability is to hold "event days" for particular behaviors. The evidence from using stickers or buttons to signify having voted or donated blood suggest that visibility may induce greater participation. Individuals might like to signal their good behavior but it might be awkward or artificial to do so in a highly visible way on their own without these focal days. There may be similar applications to other behaviors, such as setting up contributions to retirement or college savings accounts or health screening activities.

Another possibility is the use of symbolic awards or recognition, as seen in Kosfeld and Neckerman (2011), Ashraf et al. (2014a), and Ager et al. (2016). If some behaviors are driven at least to an extent by concerns over revealing a certain social image, or if there are just in general

social gains from certain behaviors, awards may help reveal them. For example, a worker may wish to work hard in order to show others that they are a good contributor to the firm. However, if effort or performance is typically difficult to observe, the return to effort will be lower because the social image gains cannot be realized by the individual. Symbolic awards, even those with no financial component, allow the individual to capture those returns and may influence behavior. Similar applications outside the workplace could be found, such as relating to academic, political or community activities.

However, when considering the use of symbolic awards, it is important to make sure the award is rewarding a behavior that is socially desirable within the individual's relevant social group. In Bursztyn and Jensen (2015), high school students in the U.S. were considered for symbolic awards (a leaderboard) for top performers in a computer-based remedial program in math and English. In that setting, where educational effort and performance were in fact stigmatized, the leaderboard policy actually led to a *decrease* in performance.

Changing observability can also be used as a policy tool to “shame” individuals who perform undesirable actions that are usually not observable by others. For example, a number of countries publish lists of tax delinquents either online or in newspapers and newsletters. Perez-Truglia and Troiano (2016) provide evidence that shaming penalties increase the collection of tax delinquencies in the U.S. Using a field experiment where tax delinquents were randomized into receiving different letters, a treatment that varied the visibility of recipients' delinquency status to their neighbors significantly increased the probability of repayment of tax debt among individuals holding small debt amounts.

Other policies that can weaken how others update type based on observing behavior include mandates or making programs universal. For example, in some low income countries, some social welfare programs such as price subsidies are universal. Since all households are eligible to receive a certain amount of reduced cost goods such as cooking oil, grains, sugar or fuel, and most take advantage of it, receiving these benefits does not signal anything about one's economic type. Thus poorer households can take up benefits without facing any stigma. There could be many similar applications in other settings. For example, if students are wary of signing up for an SAT prep course because of the effect on their social image, schools could give it to everyone by default, or mandate that students in a certain grade take the course during free periods. This way, the act of taking the course no longer serves as a signal specific to the student wanting to take it up. Although there are many other factors to consider in evaluating whether targeted or universal programs are more desirable or whether mandates are a worthwhile policy strategy, where behavior is considered sub-optimal due to social image concerns, these effects may be worth considering.

A third set of strategies under this head are efforts to actively alter the signal provided by an observable action so that others will not update their beliefs about an individual's type. For example, a number of studies have considered the role of financial rewards to provide incentives

for good behavior. In the education setting, students may be offered payments for inputs, such as reading books, or outputs such as grades (Angrist and Lavy 2009, Angrist et al. 2014, Angrist et al. 2009, Fryer 2011, Kremer, et al. 2009 and Leuven et al. 2010). Although these studies generally find at best moderate gains, it is worth exploring whether such incentives reduce the extent to which others update about one’s type based on observing behavior. If studying hard and doing well in school is stigmatized because it signals to others that you may be a low social type, financial rewards may obscure the motive and weaken the signal about type. Students can plausibly be seen to be studying or working hard or doing well because they are trying to earn the cash payments, rather than because of their underlying social type or because they plan to eventually depart from the group. On the reverse side, providing rewards might weaken what is considered socially desirable behavior. For example, if individuals were compensated for donating blood or if donations to a charity were met with excessive gifts, these actions could lose their ability to signal one’s type (altruistic or civic mindedness), which may be one motivation for such behavior.

Finally, where concerns about how others will update about your type prevent individuals from undertaking an action they wish to, and where it is not possible to actually hide behavior or create mandates, opportunities for counter-signaling represent another alternative. For example, Carvalho (2013) argues that the recent rise of veiling in some countries, particularly among educated, urban working women, is an attempt to provide a counter signal regarding religious adherence. If women who work worry that they will be perceived by others as not being sufficiently religious, adopting the veil is a visible symbol of being religious, which may allow them to work while maintaining their preferred social image. In such a setting, for example, a ban on veiling in public or in the workplace might discourage women’s labor force participation by removing that opportunity for counter signaling. In other cases, policy may aim at making more such counter-signaling opportunities available. For example, students who do well in school might tacitly be given more leeway regarding disciplinary behaviors; the ability to skip a day of school or fail to turn in an assignment with lesser consequences than for others might allow those students to counter the signal that they are of a particular type (though of course, many other considerations would enter into whether such a policy was desirable on net).

5.2 Changing Expectations of Social Desirability of Type ($E_i(\omega_j)$)

The second term in the social image concern framework actually consists of two separate components; the social desirability that the group attaches to being of type h , and the individual’s perceptions or expectations about that social desirability. We consider strategies for shaping social pressure that address each of these in turn.

5.2.1 Correcting or Manipulating Second-Order Beliefs

One key determinant of beliefs about social desirability are individuals' second-order beliefs: if an individual thinks that everyone else in their peer group is against gay rights, they will naturally believe that being anti-gay rights is socially desirable. However, such beliefs might be incorrect. In fact, stigma associated with an attitude can lead to incorrect second-order beliefs. This phenomenon is known in social psychology as “pluralistic ignorance” (Katz and Allport 1931), where privately most people reject a norm, but incorrectly believe that most other people accept it, and therefore end up following the norm as well. When individuals believe that a behavior or attitude is stigmatized, they might be reluctant to talk about it and reveal their private views to others. If most individual act this way, they might all end up believing that their private views are only shared by at best only a small minority. A related concept is that of “preference falsification” (Kuran 1995): people’s stated, public preferences are affected by social acceptability, and might be different from their true, private preference.

Pluralistic ignorance and preference falsification are believed to have played a role in sustaining the communist regime in the Soviet Union (Kuran 1991), as many individuals opposed the regime but believed others were supporters of it. Similarly, O’Gorman (1975) shows that in 1968 most white Americans substantially over-estimated the support among other whites for racial segregation. In recent work, Bursztyn and Yanagizawa-Drott (2016) provide evidence that men’s attitudes towards women working in Saudi Arabia may also be a case of pluralistic ignorance, where most men support female labor force participation but incorrectly believe that most other men are against it.

An interesting aspect of pluralistic ignorance is that interventions correcting second-order beliefs might have the potential to speed up changes in social norms. Other elements that can help correct these higher-order beliefs might also be helpful. For example, the information in opinion polling and voting (for example, in referenda) can provide individuals with information about how their society views certain issues (though polls might give a biased summary of society’s views on a topic, precisely if that topic is stigmatized and respondents feel embarrassed to report their own view even in a survey).⁶ For example, the share of voters actually supporting “Brexit” in 2016 might have updated individuals’ second-order beliefs about the share of people with negative views toward immigrants in the UK. Social media might also play a role in breaking equilibria resulting from pluralistic ignorance. In social medial platforms, it might be easier for individuals to find other individuals that share their same view (and social media might also reduce the social cost of expressing a view that is initially believed to be stigmatized). In work in progress, Bursztyn et al. (2016d) find that access to social media has increased xenophobia acts in Russia. Finally, endorsement of an attitude by public and respected figures might spur conversations and ultimately lead to changes in social norms. For example, some argue that Joe Biden’s public endorsement of

⁶Bursztyn et al. (2016b) suggest that individuals do indeed take into account the information from polls when making their turnout decisions for Swiss referenda.

gay marriage in 2012 might have played a role in explaining the relatively rapid changes in attitudes toward gay marriage in the U.S.

5.2.2 The Expressive Value of the Law

A literature (mostly in the field of law) has studied the expressive value or function of the law (see Sunstein 1996, Kahan 1997, Cooter 1998, Posner 1998, 2000, 2002, McAdams 2000a, 2000b, and Bénabou and Tirole 2011). Under this hypothesis, the very act of passing a particular law sends a signal to others about a norm or prescribed attitude towards behavior. Thus, outlawing discrimination against LGBT persons in the workplace might change the social meaning associated with certain behaviors or attitudes towards LGBT people. The very same actions that one might have taken before the law change may afterwards carry a very different implication for how one is perceived by others. The expressive value of the law suggests that the law can be used to spur changes in social norms. As there is currently little rigorous empirical evidence on this hypothesis, we believe that examining how changes in the law lead to changes in social norms is a promising avenue of future research.

5.3 Changing How Much People Care About Others' Opinions of Them (λ_{ij})

Being cognizant of variation in the extent to which some individuals or groups of individuals care about their social image might help in the design or targeting of policy, or determine whether any policy remedy is even needed. Understanding such variation might also help predict or explain certain behavior or phenomenon (e.g., in Funk's 2010 study, the fact that voting declined more in smaller communities when a vote-by-mail option was introduced in Switzerland, which we can potentially attribute to the greater λ_i of individuals in these communities because of the greater connection to others). However, of the three primary components that contribute to social image concerns, changing the underlying extent to which individual's care about others' opinions of their type might be the most challenging. To our knowledge, very little rigorous empirical evidence exists on the feasibility of efforts to change such concerns. However, we view it as another promising area for future inquiry. For example, an open question is whether policies aimed at improving self-image can potentially mitigate the effects of social pressure.

6 Conclusion

We review recent studies suggesting a prominent role of social image concerns in motivating behavior. These effects are found across a wide range of settings and for a wide range of behaviors. However, beyond establishing that such effects exist, important questions remain unanswered. We propose that the ideal next steps in this literature would be a focus on understanding the under-

lying determinants of social pressure, the welfare consequences of such pressure, and whether and how social pressure can be shaped.

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