

Discussion of „Intertemporal Prospect Theory“ (Lampe and Weber 2021)

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Research Gap: No generally accepted version of Prospect Theory (PT) in intertemporal settings

Main RQ of the paper: How should PT best be applied to intertemporal settings?

Literature: Two common methods

- **Time-separation method** - transforms the utility first within each period, the overall PT value is the discounted sum of these period values - support by Andreoni et al. (2017)
- **Present-value method** - first calculates the present value of each possible stream of outcomes, the overall PT value is then calculated as the (atemporal) PT value of the present values - support by Rohde and Yu (2020)

What is the novelty of the paper? This paper adds on to existing studies by

- Providing a setting that does not favor any of the two methods a priori
- Thorough estimation of value, probability-weighting and time-discount functions
- Using a representative sample

Main finding of the paper: PV method outperforms T-S Method

Comments / Questions

The paper is well-written. The study design and analysis plan were pre-registered. The tests used to detect treatment differences are appropriate. I don't have any major concerns :-)

1) With only 26 percent of subjects in the final data analysis, how reliable/generalizable are the findings? Why is it so hard for $\frac{3}{4}$ of the subject pool to understand the setting?

→ Possible solution to decrease the exclusion rate: A study with “informed” subjects

2) Are the findings consistent within subjects over time?

→ Experiments with experienced subjects in two points of time

3) For the gain lotteries, the study finds no differences between hypothesized and incentivized treatments. Is there a similar (non-)effect for the loss lotteries?

On page 13, line 7 „10“ should be replaced with „0“