
Do people trust more when they are happy or when they are sad? Evidence from an experiment

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Abstract

This paper deals with the role played by incidental emotions on trust decisions. Based on a laboratory experiment with monetary incentives, we explore the way positive and negative emotions impact transfers in a trust game, in addition, we investigate the mechanism through which risk intervene in the relationship between emotions and trust. Our results suggest that only positive emotions influence trust, then risk comes to cancel this effect. Furthermore, we found that transfer in the trust game is driven by other-regarding preferences and by risk preferences.

Keywords: Emotions, Trust game, Dictator game, Risk aversion, Experiment

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