



CISEPS Seminar

## The Neurobiology of Loss Aversion

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Thursday, 3 February 2011, 12:00 pm  
Aula Tesi Psicologia, Building U6, 3<sup>rd</sup> floor

### **Abstract**

Loss aversion describes the widespread behavioral avoidance of choices that can lead to losses, even when accompanied by equal or much larger gains. Loss aversion has been well documented in the laboratory and in many field settings, including high-stakes game show decisions, financial markets, politics, trade policy for declining industries and rate of organ donation for transplant cases, and it has also been evident in monkey behavior. But what drives loss-averse behavior, and what neural structures mediate the effect? Furthermore, are the value-signals computed in the brain reference-dependent? And how can these signals affect the individual response to financial incentive? In this talk I will present a series of studies that address these questions combining different tools such as fMRI, functional connectivity analysis, brain lesions and genetics. Finally, I will discuss how a deeper understanding of the neural mechanisms can inform economic theories and help to design more efficient policies.

### **CISEPS**

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