

# ABIGAIL B. SUSSMAN

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## **EDUCATION**

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Princeton University Princeton, NJ  
Psychology Department and Woodrow Wilson School of Public and International Affairs  
Advised by Eldar Shafir and Daniel M. Oppenheimer

- Ph.D. in Cognitive Psychology and Social Policy (expected 2013)
- M.A. in Cognitive Psychology (2010)

Brown University Providence, RI  
• Bachelor of Arts with concentrations in Cognitive Science and Economics (2004)  
• Advised by Steven Sloman

## **PROFESSIONAL EXPERIENCE**

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The Institute for Quantitative Social Sciences at Harvard University Cambridge, MA  
• Research Assistant under Sendhil Mullainathan, ideas42 (2007-2008)

Goldman Sachs New York, NY  
• Financial Analyst (2004-2007)

## **HONORS & AWARDS**

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- Association for Consumer Research Travel Grant (2012)
- Fellowship of Woodrow Wilson Scholars (2011-2013)
- Marion J. Levy Fellowship in Social Policy (2011-2012)
- Woodrow Wilson School Preceptor Award for outstanding teaching (2011)
- First-place Student Poster Award for presentation at the annual meeting of SJDM (2009)
- Fellowship from the Joint Degree Program in Psychology and Social Policy (2009-2013)
- Merit Prize, Princeton University (2008-2009)
- Member of Omicron Delta Epsilon, The International Honor Society for Economics (2004)
- Graduation Honors in Cognitive Science, Brown University (2004)
- *Magna Cum Laude*, Brown University (2004)

## **RESEARCH INTERESTS**

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- Judgment and decision making
- Financial decision making
- Mental accounting
- Causal reasoning

I am interested in how consumers form judgments and make decisions, from underlying mechanisms to applications. I investigate questions at the intersection of consumer behavior, psychology, and economics, with the aim of improving human welfare. My central research examines psychological biases that can lead consumers to commit errors in budgeting, spending, and borrowing. I also explore how similar biases extend beyond financial domains to choices in other areas, such as food selection and time management.

#### **PEER-REVIEWED JOURNAL ARTICLES**

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\* Abstracts included in the appendix at the end of this document

**Sussman, Abigail B.**, and Adam L. Alter (in press). The exception is the rule: Underestimating and overspending on exceptional expenses. *Journal of Consumer Research*.

Olivola, Christopher Y., **Abigail B. Sussman**, Konstantinos Tsetsos, Olivia Kang, and Alexander Todorov (2012). Republicans prefer Republican-looking leaders: Political facial stereotypes predict candidate electoral success among right-leaning voters. *Social Psychological and Personality Science*, 3 (September), 605-613.

**Sussman, Abigail B.**, and Eldar Shafir (2012). On assets and debt in the psychology of perceived wealth. *Psychological Science*, 23 (1), 101-108. [DISSERTATION ESSAY 1]

**Sussman, Abigail B.**, and Christopher Y. Olivola (2011). Axe the tax: Taxes are disliked more than equivalent costs. *Journal of Marketing Research*, 48 (November), 91-101.

Khemlani, Sangeet S., **Abigail B. Sussman**, and Daniel M. Oppenheimer (2011). Harry Potter and the sorcerer's scope: Latent scope biases in explanatory reasoning. *Memory and Cognition*, 39 (3), 527-535.

#### **MANUSCRIPTS UNDER REVIEW/REVISION AND WORKING PAPERS**

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**Sussman, Abigail B.**, Sangeet S. Khemlani, and Daniel M. Oppenheimer. Latent scope bias in categorization.

**Sussman, Abigail B.**, Kristina Petkova, and Alexander Todorov. Competence ratings in the US predict presidential election outcomes in Bulgaria.

**Sussman, Abigail B.**, Daniel M. Oppenheimer, and Matthew M. LaMonaca. The causal model theory of cue weighting.

**Sussman, Abigail B.**, Eldar Shafir, and Alison Barnes. A completion bias in task selection.

Perceptions of wealth influence a range of financial decisions. A consumer who feels wealthy may be more likely to purchase an expensive car or take an exotic vacation, and may be more likely to borrow if she needs funds in order to do so. Moreover, a person who is perceived as wealthy by others may be more likely to receive a loan. This suggests the counter-intuitive outcome that borrowing and spending may be easiest for those who can least afford it.

Net worth (a person's assets minus her debt) is generally accepted as a concrete measure of financial wealth. However, my dissertation research demonstrates that perceptions of wealth can vary when both net worth and social context are held constant. The composition of net worth—asset and debt levels—can affect wealth perception, and a person's relative focus on assets and debt can change according to whether net worth is positive or negative. Across three dissertation essays, I explore these patterns as well as their causes and consequences for both financial and non-financial domains.

**Essay 1.** Sussman, Abigail B., and Eldar Shafir (2012). On assets and debt in the psychology of perceived wealth. *Psychological Science*, 23 (1), 101-108. The first essay establishes basic patterns in perceptions of wealth as a function of varying levels of assets and debt. Holding total wealth constant, people with positive net worth feel and are seen as wealthier when they have lower debt (despite having fewer assets). In contrast, people with equal but negative net worth feel and are considered wealthier when they have greater assets (despite having larger debt). This pattern persists in the perception of both the self and others. A relative shift in attention from debt for those with positive net worth to assets for those with negative net worth contributes to this pattern. The essay extends findings to willingness to borrow and lend and briefly discusses policy implications.

**Essay 2.** *A closer look at the role of assets and debt in perceptions of wealth: scaling, mechanisms, and interventions* (in progress). The second essay explores the patterns documented in Essay 1 in additional depth, searching for boundary conditions and methods for reversing the effect. For example, this research shows that effects persist as the magnitude of net worth increases to the million dollar range, that they are strongest when either assets or debt are near zero, and that they are robust to the inclusion of information about income and other personal characteristics. Building on the attentional account established in Essay 1, I show that drawing attention to debt by encouraging participants to focus on the number of working hours they would need to repay it reverses the preference for additional assets among those with negative net worth. Importantly, this intervention suggests that regulation requiring that disclosures emphasize consequences of additional debt (such as minimum payment disclosure requirements in the Credit CARD Act of 2009) will be effective in reducing debt, and may be especially helpful for low income populations.

**Essay 3.** *Contextual asymmetries in positive and negative attribute weights* (in progress). The third essay extends the patterns established in Essays 1 and 2 beyond financial wealth,

to a variety of domains such as time and product choice. I show that positive attributes receive additional weight when the overall background of the item being considered (positive attributes minus negative attributes) is negative. In contrast, negative attributes receive additional weight when the overall background is positive. For example, I examine cases where participants are choosing between products that have been evaluated on both positive and negative dimensions, holding the difference between these ratings constant. Participants are more likely to choose a product that has been rated higher on both dimensions when the background is negative than when the background is positive. Among other implications, these findings have consequences for consumer choice and can help marketers determine the best methods for framing a range of exogenous product ratings to predict and promote sales.

### **SELECTED RESEARCH IN PROGRESS**

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- Budgeting for exceptional encounters across domains (with Adam L. Alter).
- Learning to budget for exceptional expenses (with Adam L. Alter).
- Debt and perceptions of inequality (with Hal E. Hershfield).
- Exceptional framing of charitable donations: A field test to increase giving (with Eesha Sharma and Adam L. Alter).
- Emotional accounting in debt repayment (with Rourke L. O'Brien).
- Measure for Measure: Comparing methods for measuring causal models (with Daniel M. Oppenheimer).

### **CONFERENCE TALKS, INVITED TALKS, AND CONFERENCE PAPERS**

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**Sussman, Abigail B.**, and Adam L. Alter. (June 30, 2012) *The exception is the rule: Underestimating and overspending on exceptional expenses*. Paper presented at the Behavioral Decision Research in Management conference (BDRM). Boulder, CO.

**Sussman, Abigail B.**, and Adam L. Alter. (February 17, 2012) *The exception is the rule: Underestimating and overspending on exceptional expenses*. Paper presented at the annual meeting of the Society for Consumer Psychology (SCP). Las Vegas, NV.

**Sussman, Abigail B.**, and Christopher Y. Olivola. (January 23, 2012). *Axe the tax: The psychology of tax aversion*. Invited talk at Wharton, Operations and Information Management- Decision Processes Area.

**Sussman, Abigail B.**, and Eldar Shafir. (January 18, 2012). *On assets and debt in the psychology of perceived wealth*. Invited talk at the Stanford Graduate School of Business, Marketing Department.

**Sussman, Abigail B.**, and Adam L. Alter. (November 6, 2011) *The exception is the rule: Underestimating and overspending on exceptional expenses*. Paper presented at the annual meeting of the Society for Judgment and Decision Making (SJDM). Seattle, WA.

**Sussman, Abigail B.**, and Eldar Shafir. (October 15, 2011). *The psychology of perceived wealth: The twofold impact of debt on financial decision making*. Paper presented at the annual meeting of the Association for Consumer Research (ACR). St. Louis, MO.

**Sussman, Abigail B.** and Daniel M. Oppenheimer. (August 23, 2011). *A causal model theory of judgment*. Paper presented at the Subjective Probability, Utility, and Decision Making Conference (SPUDM). Kingston Upon Thames, UK.

**Sussman, Abigail B.** and Daniel M. Oppenheimer. (July 22, 2011). *A causal model theory of judgment*. Paper presented at the annual meeting of the Cognitive Science Society. Boston, MA.

**Sussman, Abigail B.** and Eldar Shafir. (June 27, 2011). *On assets and debt in the psychology of perceived wealth*. Paper presented at the Second Annual Boulder Summer Conference on Consumers' Financial Decision Making. Boulder, CO.

**Sussman, Abigail B.** and Eldar Shafir. (February 24, 2011). *The psychology of perceived wealth: The twofold impact of debt on financial decision making*. Paper presented at the annual meeting of the Society for Consumer Psychology (SCP). Atlanta, GA.

**Sussman, Abigail B.** and Eldar Shafir. (November 20, 2010). *The psychology of perceived wealth: The twofold impact of debt on financial decision making*. Paper presented at the annual meeting of the Society for Judgment and Decision Making (SJDM). St. Louis, MO.

**Sussman, Abigail B.** and Christopher Y. Olivola. (June 27, 2010). *Axing the taxman: The psychology of tax aversion*. Paper presented at the First Annual Boulder Summer Conference on Consumers' Financial Decision Making. Boulder, CO.

**Sussman, Abigail B.** and Christopher Y. Olivola. (June 11, 2010). *Axing the taxman: The psychology of tax aversion*. Paper presented at the Behavioral Decision Research in Management Conference. Pittsburgh, PA.

## **CONFERENCE POSTERS**

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**Sussman, Abigail B.**, Sangeet S. Khemlani and Daniel M. Oppenheimer. (July 22, 2011). *Latent scope bias in categorization*. Poster presented at the annual meeting of the Cognitive Science Society. Boston, MA.

Khemlani, Sangeet S., **Abigail B. Sussman**, and Daniel M. Oppenheimer. (November 21, 2010). *Harry Potter and the sorcerer's scope: Scope biases in explanatory reasoning*. Poster

presented at the annual meeting of the Society for Judgment and Decision Making (SJDM). St. Louis, MO.

Khemlani, Sangeet S., **Abigail B. Sussman**, and Daniel M. Oppenheimer. (August 11, 2010). *Harry Potter and the sorcerer's scope: Scope biases in explanatory reasoning*. Poster presented at the annual meeting of the Cognitive Science Society. Portland, OR.

**Sussman, Abigail B.**, and Christopher Y. Olivola. (November 22, 2009). *Axing the taxman: The psychology of tax aversion*. Poster presented at the annual meeting of the Society for Judgment and Decision Making (SJDM). Boston, MA.

\* *This poster received the first-place Student Poster Award.*

**Sussman, Abigail B.**, and Eldar Shafir. (November 22, 2009). *Mental accounting under time scarcity*. Poster presented at the annual meeting of the Society for Judgment and Decision Making (SJDM). Boston, MA.

## CONFERENCES AND SYMPOSIA ORGANIZED

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**Sussman, Abigail B.** (Chair). (February 24, 2011). *Dollars and Debt: Financial decision making and consumer welfare*. Symposium presented at the annual meeting of the Society for Consumer Psychology (SCP). Atlanta, GA.

**Sussman, Abigail B.**, Matthew B. Kugler, and C. Dan Myers. (Conference organizers). (February 19-20, 2010). *Graduate Student Conference on Psychology and Policy-Making*. Princeton University. Princeton, NJ.  
Keynote speaker: John Jost.

## TEACHING

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Princeton University

Princeton, NJ

- Decision Making and Judgment; Assistant Instructor to Eldar Shafir (Fall 2011, Spring 2011)  
*Received the Woodrow Wilson School Preceptor Award for outstanding teaching*

## SERVICE

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*Ad-Hoc Reviewing*

- Judgment and Decision Making
- Political Psychology
- Princeton Graduate Student Conference on Psychology and Policymaking
- Society for Consumer Psychology conference
- Society for Judgment and Decision Making book series (Psychology Press)
- Time-Sharing Experiments for the Social Sciences (TESS)

*Committees*

- Princeton Psychology Department Graduate Recruitment Committee

## **PROFESSIONAL AFFILIATIONS**

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- American Marketing Association
- Association for Consumer Research
- Association for Financial Psychology
- Association for Psychological Science
- Society for Consumer Psychology
- Society for Judgment and Decision Making

## **SELECTED MEDIA COVERAGE**

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- The Boston Globe, Business Insider, The Chicago Tribune, The Financial Times, The Globe and Mail, Harvard Business Review Daily Stat, MSNBC, The New Republic, Psychology Today, Science Daily, The Wall Street Journal, The Washington Post

## **REFERENCES**

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## APPENDIX: PEER-REVIEWED ARTICLE ABSTRACTS

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**Sussman, Abigail B.**, and Adam L. Alter (forthcoming). The exception is the rule: Underestimating and overspending on exceptional expenses. *Journal of Consumer Research*.

Purchases fall along a continuum from ordinary (common or frequent) to exceptional (unusual or infrequent), with many of the largest expenses (e.g., electronics, celebrations) being the most exceptional. Across seven studies, we show that, while people are fairly adept at budgeting and predicting how much they will spend on ordinary items, they both underestimate their spending on exceptional purchases overall and overspend on each individual purchase. Based on the principles of mental accounting and choice bracketing, we show that this discrepancy arises in part because consumers categorize exceptional expenses too narrowly, construing each as a unique occurrence, and consequently overspending across a series of discretely exceptional expenses. We conclude by proposing an intervention that diminishes this tendency by helping consumers consider their spending on exceptional items as part of a larger set of purchases.

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Olivola, Christopher Y., **Abigail B. Sussman**, Konstantinos Tsetsos, Olivia Kang, and Alexander Todorov. (2012). Republicans prefer Republican-looking leaders: Political facial stereotypes predict candidate electoral success among right-leaning voters. *Social Psychological and Personality Science*.

Previous research suggests that voting in elections is influenced by appearance-based personality inferences (e.g., whether a political candidate has a competent-looking face). However, since voters cannot objectively evaluate politicians' personality traits, it remains to be seen whether appearance-based inferences about a characteristic continue to influence voting when clear information about that characteristic is available. The authors examine the impact of appearance-based inferences for a characteristic that is well known about candidates: their political affiliation. Across two studies, the authors show that U.S. candidates facing conservative electorates benefit from looking more stereotypically Republican than their rivals (controlling for gender, ethnicity, and age). In contrast, no relationship between political facial stereotypes and voting is found for liberal electorates (using identical controls). The authors further show that this contrast between liberal and conservative electorates has more to do with individual-level differences between liberal and conservative voters than with macro-level differences between liberal and conservative states.

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**Sussman, Abigail B.**, and Eldar Shafir (2012). On assets and debt in the psychology of perceived wealth. *Psychological Science*, 23 (1), 101-108. [DISSERTATION ESSAY 1]

We studied the perception of wealth as a function of varying levels of assets and debt. We found that with total wealth held constant, people with positive net worth feel and are seen as wealthier when they have lower debt (despite having fewer assets). In contrast, people with equal but negative net worth feel and are considered wealthier when they have

greater assets (despite having larger debt). This pattern persists in the perception of both the self and others. We explore consequences for the willingness to borrow and lend and briefly discuss the policy implications of these findings.

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**Sussman, Abigail B.**, and Christopher Y. Olivola (2011). Axe the tax: Taxes are disliked more than equivalent costs. *Journal of Marketing Research*, 48 (November), 91-101.

Tax collection is critical for the proper functioning of society. However, many people strongly dislike paying taxes. Although this distaste could be rational on economic grounds, the authors show that this attitude extends beyond simply disliking the costs incurred and affects behavior in counternormative ways. They demonstrate the phenomenon of tax aversion: a desire to avoid taxes per se that exceeds the rational economic motivation to avoid a monetary cost. Across five experiments, the authors provide evidence that people have a stronger preference to avoid tax related costs than to avoid equal-sized (or larger) monetary costs unrelated to taxes. Tax aversion affects consumer preferences in a variety of domains, including standard store purchases, financial investments, and job selection. Furthermore, this tendency is most prevalent among people who identify with political parties that generally favor less taxation. Finally, encouraging participants who identify with “antitax” parties to consider positive uses of their tax payments mitigates tax aversion. This article concludes with a discussion of the implications of these results for consumer behavior research and tax policies.

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Khemlani, Sangeet S., **Abigail B. Sussman**, and Daniel M. Oppenheimer (2011). Harry Potter and the sorcerer’s scope: Latent scope biases in explanatory reasoning. *Memory and Cognition*, 39 (3), 527-535.

What makes a good explanation? We examine the function of latent scope, i.e., the number of unobserved phenomena that an explanation can account for. We show that individuals prefer narrow latent scope explanations—those that account for fewer unobserved effects—to broader explanations. In Experiments 1a–d, participants found narrow latent scope explanations to be both more satisfying and more likely. In Experiment 2 we directly manipulated base rate information and again found a preference for narrow latent scope explanations. Participants in Experiment 3 evaluated more natural explanations of unexpected observations, and again displayed a bias for narrow latent scope explanations. We conclude by considering what this novel bias tells us about how humans evaluate explanations and engage in causal reasoning.