

**Title: Group Identity and Belief Formation: A Microfoundation of Political Polarization**

**Speaker: Prof. Yan Chen, University of Michigan**

**Area: Economics**

**Date: 05.03.2026, Venue: P12 @ 12.10PM**

**Abstract:**

To evaluate the impact of group identity on belief formation, we conducted online experiments before and after the 2020 US presidential election. We elicit participants' beliefs about future unemployment statistics and health system rankings and provide relevant news summaries. We find that people pay money to avoid information from political outgroups and attribute lower weight to this information when updating beliefs. An intervention which unlabels information sources decreases outgroup information avoidance by 50%, with a significant impact on only groupish participants. A debiasing intervention equalizing instrumental values of information sources reduces only universalists' WTP for a private signal. The interventions have little effect on information processing. The evidence is consistent with a source-utility channel contributing to polarization.

**Speaker Profile:**



Yan Chen is the Daniel Kahneman Collegiate Professor of Information at the University of Michigan School of Information. Her research spans behavioral and experimental economics, market and mechanism design, and public economics. She has served as Department Editor (Behavioral Economics and Decision Analysis) at Management Science (2018–2022) and as Advisory Editor at Games and Economic Behavior (2013–2020). One of her specialisations is designing theory-driven experiments. Her work has appeared in leading journals, including the American Economic Review, Journal of Political Economy, Management Science, and the Proceedings of the National Academy of Sciences. She is a former president of the Economic Science Association (2015–2017) and a recipient of the 2019 Carolyn Shaw Bell Award from the American Economic Association and the 2020 Distinguished Faculty Achievement Award from the University of Michigan.

**Webpage Link:** <http://yanchen.people.si.umich.edu/>