

## **The recovery effect: endowment meets intertemporal choice**

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Deciding between a smaller sooner outcome and a larger later prize, people's choices are subject to several anomalies, that escape traditional models of delay discounting. Integrating prospect theory with intertemporal choice served to account for many of these anomalies. However, this integration can also generate predictions on new anomalies of delay discounting. Here we focus on one of them: the recovery effect. Given the supervaluation of endowed items, predicted by prospect theory and demonstrated by endowment effects, subjects should be more willing to wait for recovering a previous possession, than for acquiring a new one of identical market value. Two experiments confirmed the presence of recovery effects in intertemporal choice, assessed their size with respect to endowment effects in exchange tasks, and proved that recovery effects are unaffected by emotional manipulations that modulate endowment effects in other contexts. The implications for prospect theory and intertemporal decision making are discussed.

*(Joint work with Mancini, F.)*