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# The Construction of Social Preference:

# Between Inequality Aversion and Prosocial Behavior

The term “social preference” refers to decision makers’ satisfaction with their own outcomes and those attained by comparable others. The present research was inspired by what appears to be a discrepancy in the literature on social preferences – specifically, between a class of studies demonstrating people’s concern with inequality and others documenting their motivation to increase social welfare. We propose that agency – a characteristic of the decision setting indicating an individual’s role in creating the outcomes – might account for the different classes of findings. We theorize that agency moderates decision makers’ social motives, such that concern with inequality figures prominently in low-agency settings, whereas concern with the welfare of others is prominent in high-agency settings. Three studies employing a salary-allocation paradigm document a robust effect of agency. In the high-agency condition participants had to assign salaries, while in the low-agency condition they indicated their satisfaction with equivalent predetermined salaries. We found that compared with low-agency participants, high-agency participants were less concerned with disadvantageous salaries allocations and were even willing to sacrifice a portion of their pay to better others’ outcomes. The effects of agency are discussed in connection to inequality aversion, social comparison, prosocial behavior, and preference construction.