Readme:

Measuring the willingness-to-pay for others' consumption: An application to joint decisions of children.

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Abstract

The *OtherRegardPref* package contains the data and programs necessary to replicate the main results of our paper.

1 Data and programs

OtherRegardPref consists of one data file and nine Matlab programs, necessary to replicate the main results of our paper. Other code is available upon request. Note that the successful implementation of these codes also requires the Tomlab package.

1.1 Data

- Children_PrivateSetting.mat contains the chosen quantities by dyads of children.

1.2   Testing

- runprop2.m generates the results in Table 11 (and hence also the results in Table 6). This function calls prop2.m.

- prop2.m calls prop2LP.m and solvemip_tomlabcplex.m. The latter file connects our programs to the Tomlab package. Notice that, in order to run our codes, Tomlab must be installed successfully.

- prop2LP.m formulates the mixed integer linear programming problem associated with Proposition 2.

1.3   Numerical and simulation analysis

- runsimulation.m is the main program to replicate results in Table 1. The comment lines at the top should be pasted in the command window of Matlab, indicating the right level of theta, and the desired specification (5 for altruism, 6 for inequality aversion). This function calls either altruism_endog.m (spec 5) or inequality_endog.m (spec 6).

- altruism_endog.m and inequality_endog.m call altruism_endogLP.m and inequality_endogLP.m, respectively. The latter programs formulate the Mixed Integer Linear Programming problem to recover π and δ, respectively, in the benchmark cases of pure altruism and pure inequality aversion. It also calls solvemip_tomlabcplex.m.