

Revealing Complexity

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Mistakes and Complexity

Why do we care?

Dominated choices: lottery choice, dominant strategy mechanisms,
health insurance plans, pension plans, mortgages, etc.

Cognition and Complexity

A leading explanation for behavioural 'biases':

Cognitive limitations/costs and problem complexity.

+ Complex problems → + Strain on cognitive resources → + Mistakes.

More complex problem if more mistakes and/despite greater cognitive effort.

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More complex problem if more mistakes and/despite greater cognitive effort.

– Ability → + Cognitive costs → + Mistakes.

Less able agents treat same problem as if more complex.

Mistakes and Complexity

Inferring complexity

Understand when decision problem challenging and make it simpler (or not).

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This paper: Experimentally test a method to infer problem complexity and agent ability from choices alone.

Applied to wide range of problem domains: perception, computation, inference, deduction, prediction.

Based on sequential sampling framework.

Predictions involving choices and response time supported by the data.

Response time not good proxy for complexity.

Importance of meta-cognition and learning (a problem's) complexity.

Overview

1. Why Not Just Use Response Times?
2. A Method to Infer Complexity (And Ability)
3. Experimental Design
4. Prediction 1: Accuracy and Time
5. Prediction 2: Effect of Subsidies on Choices and Time
6. Prediction 3: Revealing Complexity
7. Prediction 4: Revealing Ability
8. Related Literature
9. Conclusion

Why Not Just Use Response Times?

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Usual proxy: **response times**

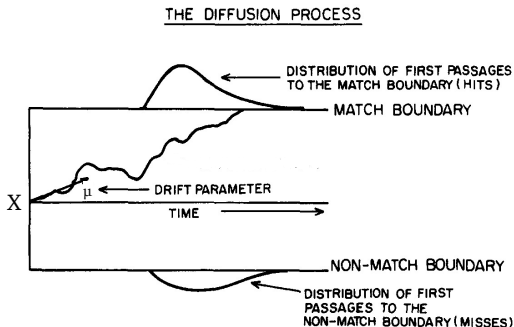
(Stroop 35; Hick 52; Shepard & Metzler 71; Treisman & Gelade 80; Bassili & Scott 96; Roitman & Shadlen 02; Wilson & al. 10; Murawski & Bossaerts 16; Franco & al. 21; Gill & Prowse 23; Hong & Stauffer 23; ...)

Easy choices will produce fast and accurate responses, while difficult ones will be time consuming and poorly efficient

(Cerreia-Vioglio, Maccheroni, Marinacci, & Rustichini 22)

Faster and better is easier; Slower and worse is more complex.

Speed-Accuracy and the Drift-Diffusion Model



(adapted from Ratcliff 78)

Drift-Diffusion Model

Ratcliff (1978): highly influential paper in cognitive sciences, thousands of cites.

Model of noisy cognition relating time and choice via sequential sampling.

Exogenous stopping: stop whenever sufficiently convinced.

Comparative Statics: Underlies intuition for “faster correlated with better”.

Complex Problem → Noisier Cognition → Weaker Signal → Lower Accuracy & Slower RT.

From Faster is Better to Faster is Easier

Speed-Accuracy Trade-off

More time, more information: better choices, but more costly.

Faster is better

More decisive info → Faster and better choices.

From Faster is Better to Faster is Easier

Speed-Accuracy Trade-off

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Faster is better

More decisive info → Faster and better choices.

Faster is easier

Faster and better implies easier.

Models suggest faster already implies better.

Ergo, faster is easier.

Rethinking the Question

Runs against intuition: **Faster can't always be easier and better**

If too complicated, not going to try too hard

Speed, Accuracy and Complexity

From Exogenous to Optimal Stopping

Optimal stopping: expect DM to trade-off accuracy and effort/time.

Behaviour **depends** on incentives and problem complexity.

“The assumption is that payoffs or instructions induce the subject to adjust the positions of the [...] boundaries and so to adjust the amount of information required for a decision” (Ratcliff 78)

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Prediction 1

Under optimal stopping, accuracy is monotone in problem complexity, whereas time is single-peaked.

All predictions from Gonçalves WP, *Speed, Accuracy, and Complexity*.

Speed, Accuracy, and Ability

Response time also standard proxy for ability.

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Response time also standard proxy for ability.

Slower = more able: oftentimes documented rather than assumed relationship.

Intuition: + ability $\rightarrow$ + effort $\rightarrow$ + RT.

financial choices (Darriet et al. 20); **dominance-solvable games** (Rubinstein 07, 16; Agranov, Caplin, & Tergiman 15; Alós-Ferrer & Buckenmaier 21; Esteban-Casanelles & Gonçalves WP; Gill & Prowse 23; Frydman & Nunnari WP); **public goods** (Recalde, Riedl, & Vesterlund 18)

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Faster = more able: huge literature in psychology dating back to Thorndike, Bregman, Cobb, and Woodyard 1926 (e.g., Jensen & Munro 79; Jensen 81, 93).

other things being equal, if intellect A can do at each level the same number of tasks as intellect B, but in a less time, intellect A is better

Prediction 1'

Under optimal stopping, accuracy is monotone in ability, whereas time is single-peaked.

Recent evidence from psychology and education research on non-monotonicity of RT.

(Goldhammer, Naumann, & Griff 15; Goldhammer 15; Meng, Tao, & Chang 15; Bolsinova & Maris 16; Bolsinova, de Boeck, & Tijmstra 17; de Boeck, Chen, & Davidson 17; Molenaar & de Boeck 18; van Rijn & Ali 17, Kang, de Boeck, & Ratcliff 22; etc)

Also in lottery choice (Agranov, Trevino, & Schotter WP).

A Method to Infer Complexity (And Ability)

Inferring Complexity

Back to inferring complexity...

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There is a correct answer (and analyst knows it).

Choices identify complexity:

→ (avg) accuracy decreasing in problem complexity.

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Back to inferring complexity...

There is a correct answer (and analyst knows it).

Choices identify complexity:

→ (avg) accuracy decreasing in problem complexity.

There is no correct answer/Analyst doesn't know it.

Response time often used as proxy, but not always appropriate:

Non-monotone relationship creates inference problem.

What to do?

Incentives and Time

Distorting Relative Incentives: subsidise alternative.

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Prediction 2

Under optimal stopping, subsidising an alternative leads to it being chosen more often and faster, and to choosing other alternatives less often and slower.

Intuition: Higher subsidy $\rightarrow$ need to be less convinced it's good to choose it.

Robust feature of sequential sampling.

Prediction 3

Choices are more responsive to subsidies in more complex problems.

Intuition: If problem simple enough, then close to sure,
1 penny more won't affect choices much.

If very complex, subsidy overwhelmingly affects choices.

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Important: need to recognise complexity; meta-cognition.

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1 penny more won't affect choices much.

If very complex, subsidy overwhelmingly affects choices.

Important: need to recognise complexity; meta-cognition.

Prediction 4

Choices are more responsive to subsidies for DMs with lower ability.

Intuition: Same problem seems more complex to less able DM.

Experimental Design

Experimental Design

Task Domains

Task Domains

Test predictions in a systematic manner across different domains, appealing to different cognitive processes.

Perception

Large literature on perceptual decision-making and sensory-signal processing in psychology and neuroscience (Summerfield & Blangero 17; Najafi & Churchland 18).

Applications: advertising and marketing, representation of financial information, regulation and product labeling, tax salience, etc.

Task Domains

Test predictions in a systematic manner across different domains, appealing to different cognitive processes.

Perception

Computation

Computational complexity underlies suboptimal reaction to tax schedules (Rees-Jones & Taubinsky 20), implementing rules (Oprea 20), identifying causal relations (Kendall & Oprea 24), knapsack problems (Bossaerts & Murawski 17)

Task Domains

Test predictions in a systematic manner across different domains, appealing to different cognitive processes.

Perception

Computation

Inference

Extensive literature on deviations from Bayesian updating in economics, psychology, and political science (Benjamin 19).

Complexity of updating (Gonçalves, Libgober, Willis 25; Agranov & Reshidi WP).

Task Domains

Test predictions in a systematic manner across different domains, appealing to different cognitive processes.

Perception

Computation

Inference

Logic

Logical reasoning is longstanding topic studied in psychology (Johnson-Laird 72, 83, 92, 06; Copeland & Radvansky 04).

Propositional knowledge underpins standard knowledge model (Aumann 98).

Logical complexity relevant for contract specification and take-up (Jakobsen 20), regulation design (Colliard & Georg WP), and failures of contingent reasoning — e.g., voting, college admissions, multi-object allocation, health insurance (Niederle & Vespa 23; Nagel & Serrano WP).

Task Domains

Test predictions in a systematic manner across different domains, appealing to different cognitive processes.

Perception

Computation

Inference

Logic

Prediction

Biased predictions are major topic of interest in macroeconomics (Coibion & Gorodnichenko 12; Bordalo, Gennaioli, Ma, & Shleifer 20; Afrouzi, Kwon, Landier, Ma, & Thesmar 23).

Complex DGPs raise difficulty of understanding underlying causal structure and adopting correct mental model (Esponda, Vespa, & Yuksel 23; Oprea 20; Kendall & Oprea 24).

Deploying the Method

Focus on binary choice: A vs B.

Subsidy to A vs Subsidy to B.

E/not E: domain-specific condition.

- Option A: £subsidy a for sure + £x if E
- Option B: £subsidy b for sure + £x if not E

Experimental Design

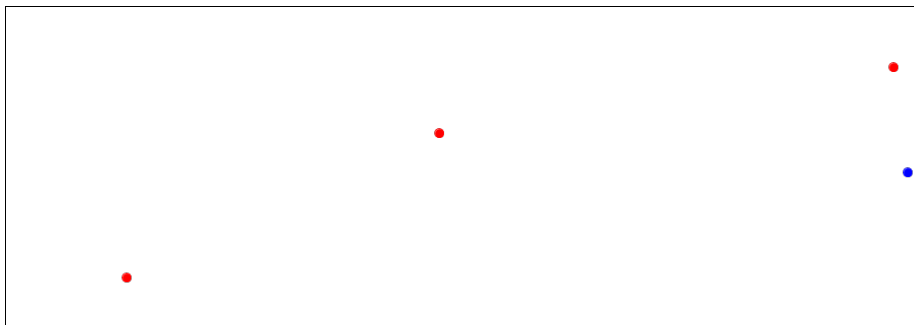
Perception

Round 3

Which option do you choose?

There are 4 dots: 3 of one colour and 1 of the other colour.

- ☐ Option A: **£0.75** for sure + **£2.00** if most dots are **Blue**
- ☐ Option B: **£0.25** for sure + **£2.00** if most dots are **Red**



Next

Show Instructions

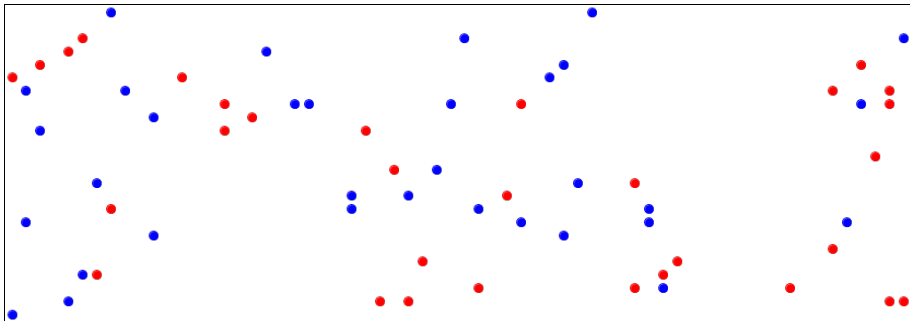
Perception

Round 2

Which option do you choose?

There are 64 dots: 33 of one colour and 31 of the other colour.

- ☐ Option A: **£0.75** for sure + **£2.00** if most dots are **Blue**
- ☐ Option B: **£0.25** for sure + **£2.00** if most dots are **Red**



Next

Show Instructions

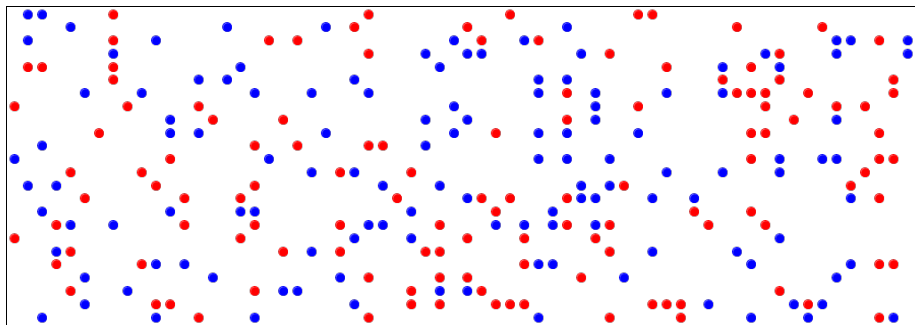
Perception

Round 6

Which option do you choose?

There are 256 dots: 129 of one colour and 127 of the other colour.

- ☐ Option A: £0.25 for sure + £2.00 if most dots are Blue
- ☐ Option B: £0.25 for sure + £2.00 if most dots are Red



Next

Show Instructions

Perception

Standard task paradigm for study of perceptual discrimination, dating back to at 1940s
(Philips 47; in economics, Caplin & Dean 13).

E: most dots are Blue/Red.

Variations:

Number of balls: 4, 16, 64, 256.

Randomise majority colour and position.

Experimental Design

Computation

Round 2

Which option do you choose?

Each sum has 2 numbers.

- ☐ Option A: **£0.25** for sure + **£2.00** if Sum 1 has the largest value
- ☐ Option B: **£0.25** for sure + **£2.00** if Sum 2 has the largest value

Sum 1

four minus five

Sum 2

nine plus two

Next

Show Instructions

Round 4

Which option do you choose?

Each sum has 8 numbers.

- ☐ Option A: **£0.75** for sure + **£2.00** if Sum 1 has the largest value
- ☐ Option B: **£0.25** for sure + **£2.00** if Sum 2 has the largest value

Sum 1

seven minus four minus zero plus two
plus zero minus seven minus five minus
four

Sum 2

two plus six minus eight minus six minus
two minus five minus seven plus zero

Next

Show Instructions

Round 3

Which option do you choose?

Each sum has 64 numbers.

- ☐ Option A: **£0.25** for sure + **£2.00** if Sum 1 has the largest value
- ☐ Option B: **£0.75** for sure + **£2.00** if Sum 2 has the largest value

Sum 1

nine minus one minus seven minus eight
minus three plus zero plus two plus
seven minus five minus nine minus two
minus five plus zero plus five minus four
plus four minus six plus two minus four
minus four minus five minus five minus
nine plus one minus seven plus two
minus eight plus one minus three minus
one minus two plus three minus one
minus four minus zero plus seven plus
six minus two minus three plus eight
plus eight minus six plus four minus
seven minus eight minus six minus three
plus three plus seven plus zero minus
three minus five plus eight minus two
plus three minus zero plus eight minus

Sum 2

four minus seven minus nine minus
eight minus three plus three plus seven
minus one minus one minus five plus six
minus eight minus four minus one plus
nine minus nine plus four plus seven
minus zero minus nine plus zero plus
three plus eight minus zero plus eight
plus four minus nine plus four minus six
minus one plus four plus seven minus
zero plus nine minus eight minus two
minus three minus four plus zero minus
eight plus nine plus eight plus two
minus six plus two plus zero minus three
plus seven minus eight plus two minus
eight minus seven plus one plus seven
minus three minus eight minus eight

Computation

Standard task paradigm for study of arithmetic cognition

(cf. Ashcraft 92; in economics, Caplin & Martin 11, 15).

E: Sum 1/2 has largest value.

Variations:

Number of summands: 2, 8, 32, 64.

Randomise summands uniformly 0-9, operators plus/minus; no ties.

Experimental Design

Inference

Balls-and-urns paradigm (Edwards & Phillips 64; cf. Benjamin 19).

Two urns with different composition. Balls drawn.

[\(Details\)](#)

E : urn 1/2 is more likely.

Variations:

- (i) Informativeness (Blackwell) experiment: different pairs = % reduction in prior entropy.
- (ii) Signal strength: different log-likelihood of realised draw.
- (iii) Symmetric/Asymmetric info structure: AA' and BB' vs AB and AB' .
- (iv) Prior Info (2nd draw) vs No Prior Info (1st draw).
- (v) Number Signals: 2 vs 4 colours for balls.
- (vi) Simultaneous/Sequential signals: 2 draws at once vs 1 signal at the time.

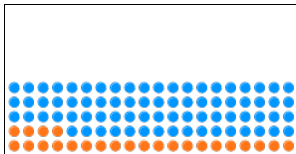
Round 3

Which option do you choose?

- ☐ Option A: **£0.25** for sure + **£2.00** if it is more probable that the ball was drawn from Box 1
- ☐ Option B: **£1.25** for sure + **£2.00** if it is more probable that the ball was drawn from Box 2

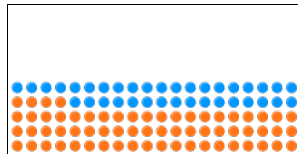
Box 1

Box 1 contains 100 balls, including
24 orange balls and 76 blue balls.



Box 2

Box 2 contains 100 balls, including
64 orange balls and 36 blue balls.



THE BALL DRAW WAS:



Next

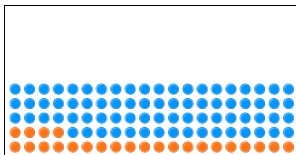
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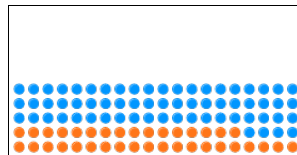
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THE BALL DRAWS WERE:



(Recall after being drawn each ball is put back in the box, and so the same ball can be drawn multiple times.)

Next

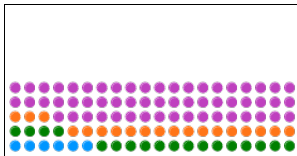
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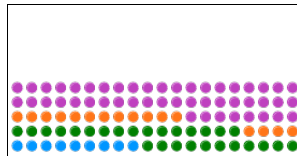
Box 1

Box 1 contains 100 balls, including
6 blue balls, 18 green balls,
19 orange balls, and 57 purple balls.



Box 2

Box 2 contains 100 balls, including
9 blue balls, 27 green balls,
16 orange balls, and 48 purple balls.



THE BALL DRAWS WERE:



(Recall after being drawn each ball is put back in the box, and so the same ball can be drawn multiple times.)

Experimental Design

Logic

Logical Statements:

New task inspired by work by Johnson-Laird, Copeland & Radvansky...
and Agatha Christie.

List of suspects, each equally likely to be guilty or innocent.

List of statements, clues to solving the case.

E: suspect X is guilty/innocent.

Variations:

Number of statements: 2, 3 (easy/hard), 16.

Round 1

Which option do you choose?

- ☐ Option A: **£0.25** for sure + **£2.00** if Guido is innocent
- ☐ Option B: **£0.25** for sure + **£2.00** if Guido is guilty

The suspects are: Andrew and Guido.

Each suspect is equally likely to be guilty or innocent; there may be multiple guilty and innocent suspects.

These are the clues to solve the case:

1. Andrew is guilty.
2. If Guido is guilty, then Andrew is innocent.

Round 2

Which option do you choose?

- ☐ Option A: **£0.75** for sure + **£2.00** if Wilfred is innocent
- ☐ Option B: **£0.25** for sure + **£2.00** if Wilfred is guilty

The suspects are: Amanda, Marlene, and Wilfred.

Each suspect is equally likely to be guilty or innocent; there may be multiple guilty and innocent suspects.

These are the clues to solve the case:

1. Either Marlene and Wilfred are both innocent, or both guilty.
2. Marlene is guilty.
3. If Amanda is innocent, then Wilfred is innocent.

Round 3

Which option do you choose?

- ☐ Option A: **£0.75** for sure + **£2.00** if Samuel is innocent
- ☐ Option B: **£0.25** for sure + **£2.00** if Samuel is guilty

The suspects are: Ephraim, Roderick, and Samuel.

Each suspect is equally likely to be guilty or innocent; there may be multiple guilty and innocent suspects.

These are the clues to solve the case:

1. If Roderick is guilty, then Samuel is innocent.
2. Either Roderick and Ephraim are both innocent or both guilty.
3. If Ephraim is innocent, then Samuel and Roderick are guilty.

Round 9

Which option do you choose?

- ☐ Option A: **£0.25** for sure + **£2.00** if Leonie is innocent
- ☐ Option B: **£0.75** for sure + **£2.00** if Leonie is guilty

The suspects are: Giles, Helen, Jackie, James, Janet, Joan, Leonie, Lily, Manning, Mrs Cocker, Richard, and the Major.

Each suspect is equally likely to be guilty or innocent; there may be multiple guilty and innocent suspects.

These are the clues to solve the case:

1. Either Manning is guilty or Janet is innocent (or both).
2. If Richard is guilty, then Lily and James are both innocent.
3. If Helen is guilty, then Jackie is innocent.
4. Giles and James are either both guilty or both innocent.
5. Either James is guilty or Leonie is, but not both.
6. If Giles is innocent, then Helen and the Major are both guilty.
7. If Joan is guilty, then the Major is also guilty.
8. Either Lily and Joan are both guilty or both innocent.
9. If Richard is innocent, then so is Leonie.
10. If Jackie is guilty, then Manning is also guilty.
11. If Manning is innocent, then Helen is guilty.
12. If the Major is guilty, then Manning and Mrs Cocker are innocent.
13. If Mrs Cocker is guilty, then Richard and Jackie are both innocent.
14. Janet is guilty if and only if the Major is innocent.
15. Janet and Giles cannot both be guilty.
16. Either Lily is guilty and Janet is innocent, or vice versa.

Experimental Design

Prediction

Prediction

Automata:

DGP depends on initial state and exogenous inputs, x/y , to produce outputs, R/G .

Observe: sequence of inputs and outputs.

Goal: predict next output.

Task based on Kendall & Oprea (24). Main difference: we describe automaton.

E : next output is R/G .

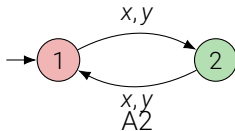
Variations:

Automata: A2, I2, S2, H8.

Other variations: random initial state, inputs.

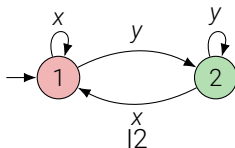
Two-State Autonomous

A fixed pattern,
independent of inputs



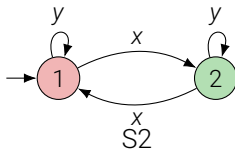
Two-State Instruct

Input directly
determines state



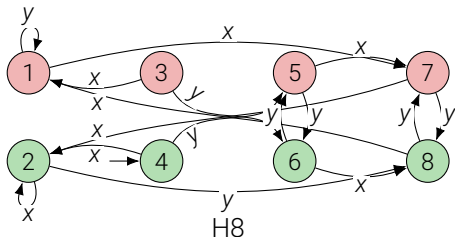
Two-State Switch

One input keeps,
the other toggles state



Eight-state Hybrid

More complex pattern
over eight states



Round 5

Which option do you choose?

- ☐ Option A: **£0.25** for sure + **£2.00** if **R** is next in the sequence
- ☐ Option B: **£0.25** for sure + **£2.00** if **G** is next in the sequence

This is how outputs are generated:

The system can be in one of two states, 1 and 2.

If the previous state is 1 and the input is x, then the state is 2.

If the previous state is 1 and the input is y, then the state is 2.

If the previous state is 2 and the input is x, then the state is 1.

If the previous state is 2 and the input is y, then the state is 1.

This is how the state is determined:

The initial state is 1.

If the state is 1, then the output is **R**.

If the state is 2, then the output is **G**.

You only see the current input and all past outputs and inputs, but not the state.



Inputs	y	x	y	x	x	y	x	y	x	x	y	
Outputs	R	G	R	G	R	G	R	G	R	G	R	?

Round 6

Which option do you choose?

- ☐ Option A: **£0.25** for sure + **£2.00** if **G** is next in the sequence
- ☐ Option B: **£0.25** for sure + **£2.00** if **R** is next in the sequence

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If the previous state is 1 and the input is x, then the state is 1.

If the previous state is 2 and the input is y, then the state is 2.

If the previous state is 2 and the input is x, then the state is 1.

This is how the state is determined:

The initial state is 2.

If the state is 1, then the output is **G**.

If the state is 2, then the output is **R**.

You only see the current input and all past outputs and inputs, but not the state.



Inputs	x	y	x	x	y	x	y	x	y	x	x	
Outputs	R	G	R	G	G	R	G	R	G	R	G	?

Round 4

Which option do you choose?

- ☐ Option A: **£0.25** for sure + **£2.00** if **R** is next in the sequence
- ☐ Option B: **£0.75** for sure + **£2.00** if **G** is next in the sequence

This is how outputs are generated:

The system can be in one of two states, 1 and 2.

If the previous state is 1 and the input is x, then the state is 2.

If the previous state is 1 and the input is y, then the state is 1.

If the previous state is 2 and the input is x, then the state is 1.

If the previous state is 2 and the input is y, then the state is 2.

This is how the state is determined:

The initial state is 2.

If the state is 1, then the output is **R**.

If the state is 2, then the output is **G**.

You only see the current input and all past outputs and inputs, but not the state.



Inputs	y	y	x	y	y	y	y	x	x	x	y	
Outputs	G	G	G	R	R	R	R	R	G	R	G	?

Round 1

Which option do you choose?

- ☐ Option A: **£0.25** for sure + **£2.00** if **R** is next in the sequence
- ☐ Option B: **£0.75** for sure + **£2.00** if **G** is next in the sequence

This is how outputs are generated:

The system can be in one of eight states: 1, 2, 3, 4, 5, 6, 7, 8.
If the previous state is 1 and the input is x, then the state is 7.
If the previous state is 1 and the input is y, then the state is 1.
If the previous state is 2 and the input is x, then the state is 2.
If the previous state is 2 and the input is y, then the state is 8.
If the previous state is 3 and the input is x, then the state is 1.
If the previous state is 3 and the input is y, then the state is 6.
If the previous state is 4 and the input is x, then the state is 2.
If the previous state is 4 and the input is y, then the state is 5.
If the previous state is 5 and the input is x, then the state is 7.
If the previous state is 5 and the input is y, then the state is 6.
If the previous state is 6 and the input is x, then the state is 8.
If the previous state is 6 and the input is y, then the state is 5.
If the previous state is 7 and the input is x, then the state is 2.
If the previous state is 7 and the input is y, then the state is 8.
If the previous state is 8 and the input is x, then the state is 1.
If the previous state is 8 and the input is y, then the state is 7.

This is how the state is determined:

The initial state is 4.
If the state is 1 or 3 or 5 or 7, then the output is **R**.
If the state is 2 or 4 or 6 or 8, then the output is **G**.

You only see the current input and all past outputs and inputs, but not the state.

Experimental Design

Other Experimental Details

Other Experimental Details

Participants: 1,590; Prolific, UK-based.

Perception: 235; Computation: 214; Inference: 541; Prediction: 300; Logic: 300.

Rounds: Perception: 48; Computation: 48; Inference: 50; Prediction: 36; Logic: 36.
+2 Practice Rounds.

Payments: pay one round randomly selected.

Avg payment $\approx$ £15-17.50/hour. Avg duration $\approx$ 20-36min.

Bonus conditional on E : £2.00.

Subsidies: allocated independently from E .

Perception and Computation: 0.25 vs 0.25, 0.75, 1.25.

Inference: 0.25 vs 0.25, 1.25.

Logic, and Prediction: 0.25 vs 0.25, 0.75.

Comprehension questions; Cannot copy.

Pre-registered on AsPredicted.

Prediction 1: Accuracy and Time

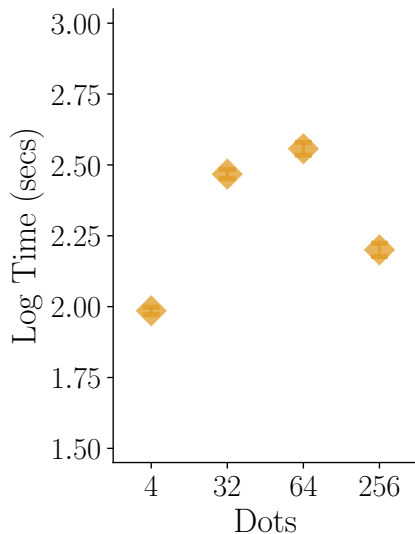
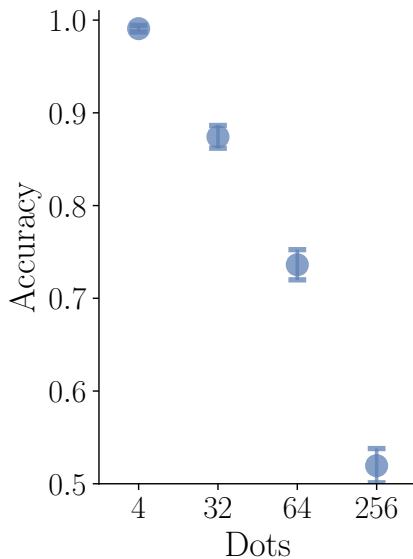
Prediction 1: Accuracy and Time

Accuracy is monotone in problem complexity; time is single-peaked.

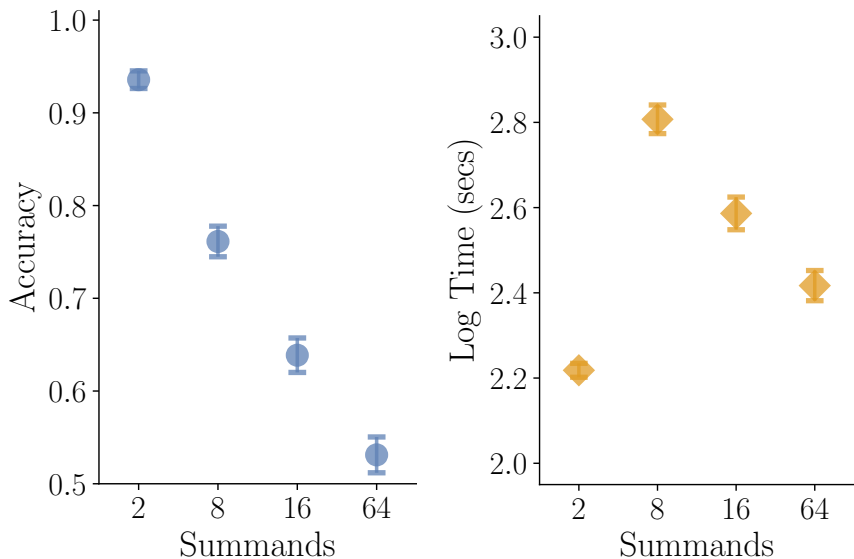
Testing Prediction:

Regression analysis: here boils down to comparing means by condition.

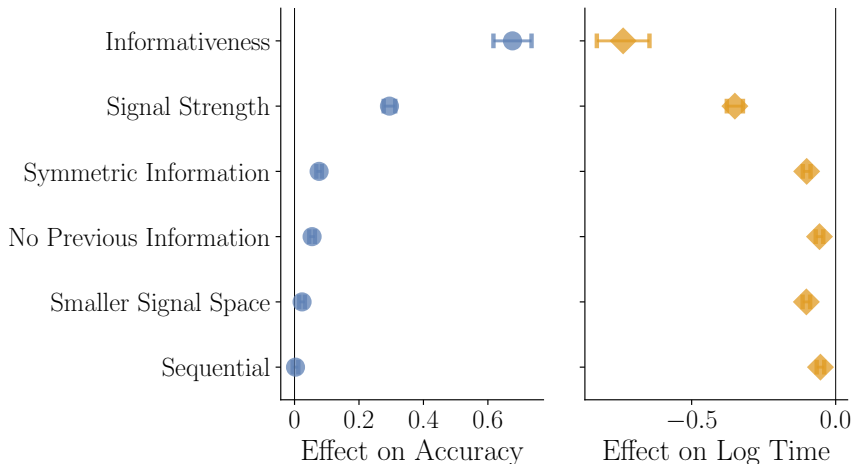
Prediction 1: Accuracy and Time. Perception



Prediction 1: Accuracy and Time. Computation

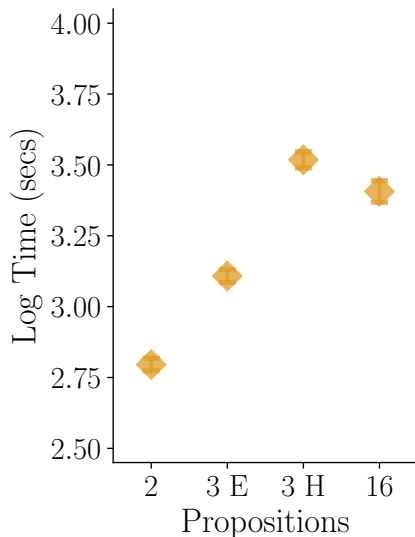
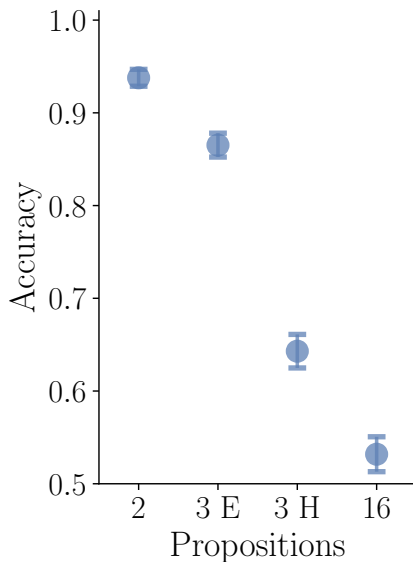


Prediction 1: Accuracy and Time. Inference

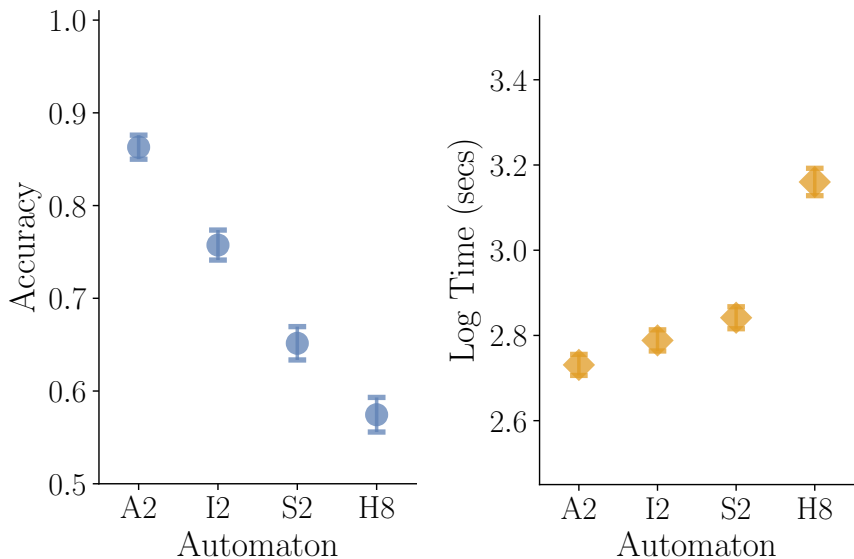


Not ex-ante obvious. Not making general claim: specific instances in experiment.
Details: [Informativeness](#) and [Signal Strength](#).

Prediction 1: Accuracy and Time. Logic



Prediction 1: Accuracy and Time. Prediction



Nonmonotonicity because Participants Quitting in Complex Conditions?

No, they still exert effort, just less. Complex conditions not fastest. [\(Details\)](#)

Also: patterns for RT robust to outliers (e.g., median instead of mean).

Fast or Slow Errors? (Accuracy | RT) increasing/decreasing in RT, depending on task. [\(More\)](#)

Prediction 1': Accuracy is monotone in ability; time is single-peaked.

Proxy for ability for task with participant average accuracy.

Prediction 2: Effect of Subsidies on Choices and Time

Prediction 2: Effect of Subsidies on Choices and Time

Subsidising an alternative leads to it being chosen more often and faster, and to choosing other alternatives less often and slower.

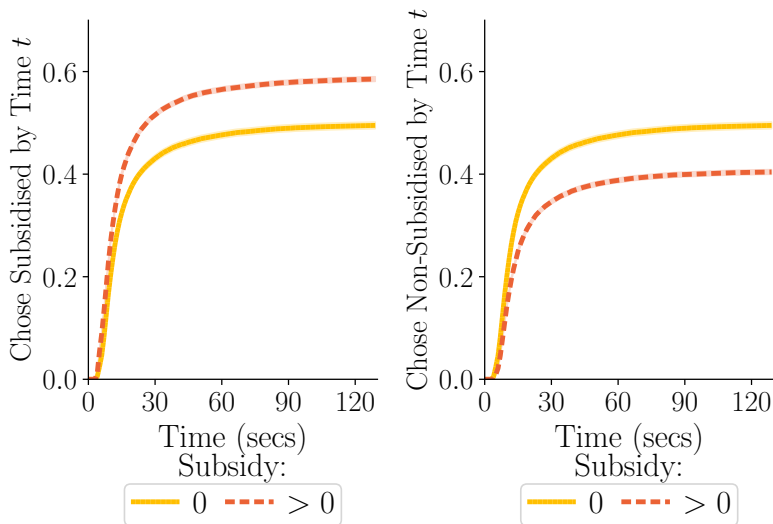
Testing Prediction:

Nonparametric: Frequency Chose Alternative before t by Subsidy Difference.

Also Avg Effects:

- (1) Chose Subsidised by Subsidy Difference.
- (2) Log(RT) by Subsidy Difference.

Prediction 2: Effect of Subsidies on Choices and Time



Pooled data. Disaggregated data all consistent: ([Perception](#)), ([Computation](#)), ([Inference](#)), ([Logic](#)), ([Prediction](#)). Pointwise dominance of cumulative incidence functions. ([ATE](#))

Prediction 3: Revealing Complexity

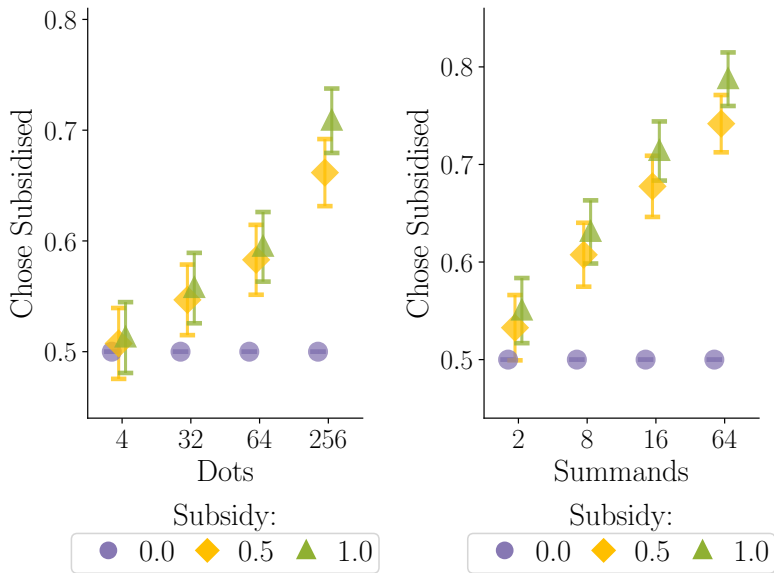
Prediction 3: Revealing Complexity

Choices are more responsive to subsidies in more complex problems.

Testing Prediction:

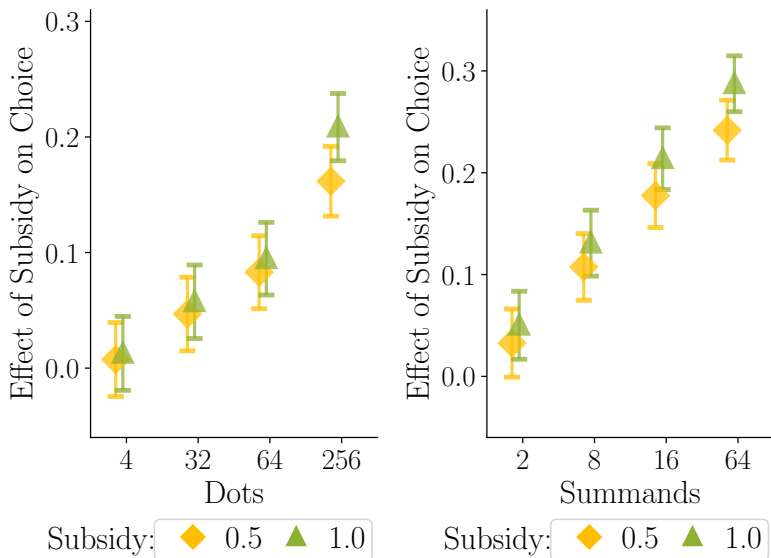
Regression analysis: again just comparing means, by condition and subsidy.

Prediction 3: Revealing Complexity. Perception and Computation



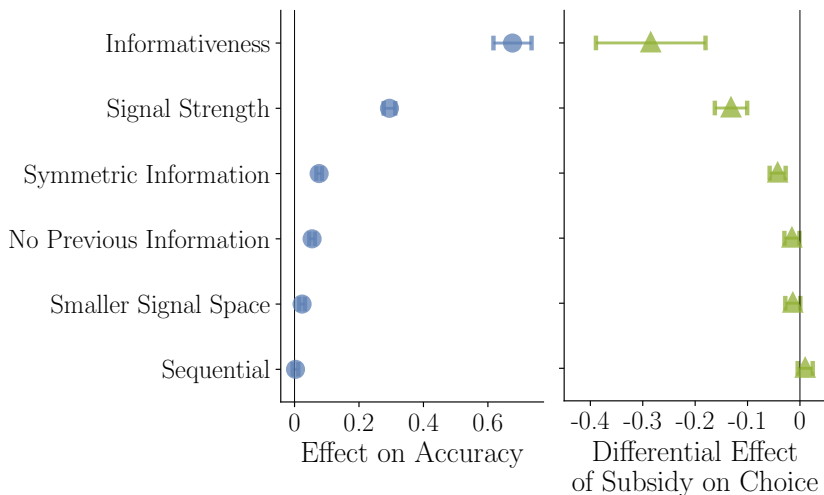
No Subsidy → Arbitrary label, 'Choice Subsidised'=0.5. Normalise to 0.

Prediction 3: Revealing Complexity. Perception and Computation



Choices are more responsive to subsidies in more complex problems.

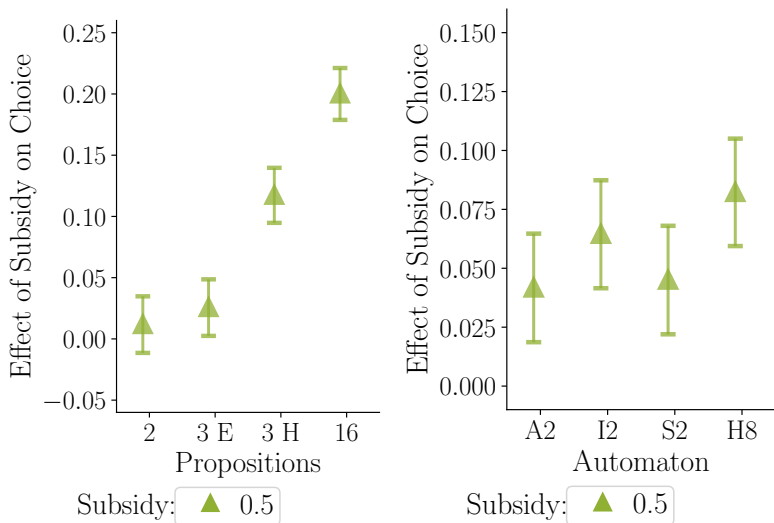
Prediction 3: Revealing Complexity. Inference



Choices are more responsive to subsidies in more complex problems.

Details: [Informativeness](#) and [Signal Strength](#).

Prediction 3: Revealing Complexity. Logic and Prediction



Choices are more responsive to subsidies in more complex problems.

Meta-cognition crucial.

Meta-cognition crucial:

In Prediction task, hard to distinguish A2, I2, and S2.

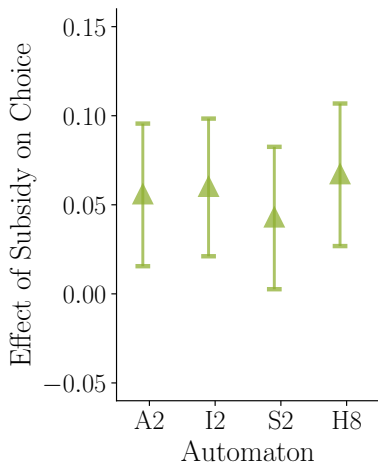
No indication as in Perception and Computation.

No visual difference in urns as in Inference.

No difference in text length as in Logic.

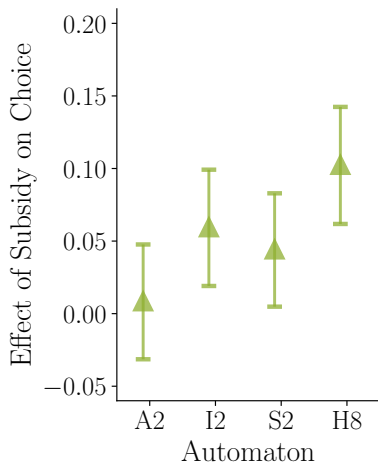
Nevertheless: evidence that participants learn to identify complexity...

Prediction 3: Revealing Complexity. Learning to Identify Complexity



Subsidy:  0.5

1st 12 Rounds



Subsidy:  0.5

Last 12 Rounds

Evidence that participants learn to identify complexity.

Prediction 4: Revealing Ability

Prediction 4: Revealing Ability

Less able DMs' choices are more responsive to subsidies.

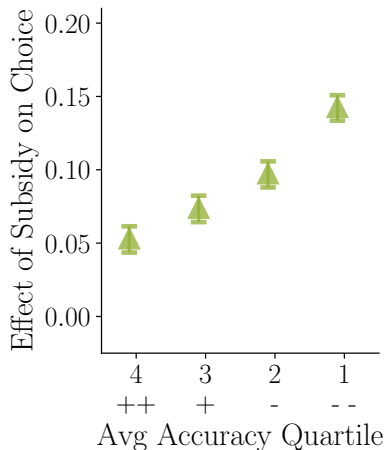
Testing Prediction:

Operationalising ability: split participants according to their avg accuracy throughout the whole experiment.

ECDF Avg Accuracy: (Perception), (Computation), (Inference), (Logic), (Prediction).

Regression analysis: again just comparing means, by condition and subsidy.

Prediction 4: Revealing Ability



Less able participants' choices are more responsive to subsidies.

Pooled data. Disaggregated data all consistent: ([Perception](#)), ([Computation](#)), ([Inference](#)), ([Logic](#)), ([Prediction](#)).

Related Literature

Related Literature

Experiments on Complexity: Hogarth 75; Wilcox 93; Rubinstein 07, 08, 13; Bossaerts & Murawski 17; Caplin, Csaba, Leahy, & Nov 20; Oprea 20, 24; Kendall & Oprea 24; **Enke, Graeber, & Oprea WP**, 25; Esteban-Casanellas & Gonçalves WP; Gonçalves, Libgober, & Willis 25; **Agranov, Schotter, Trevino WP**; Agranov & Reshidi WP; Arrieta & Nielsen WP; Puri 25; Shubatt & Yang WP; Enke & Shubatt WP; Musolf & Zimmermann WP; ...

Sequential Sampling: Wald 45; Dvoretzky, Kiefer, & Wolfowitz 53; Shiryaev 73; Peskir & Shiryaev 06; Moscarini & Smith 01; Drugowitsch, Moreno-Bote, Churchland, Shadlen, & Pouget 12; Halac, Kartik, & Liu 16, 17; Bobtcheff & Levy 17; Steiner, Stewart, & Matějka 17; Morris & Strack WP; Fudenberg, Strack, & Strzalecki 18; **Gonçalves WP**; ...

DDM: Ratcliff 78; Schouten & Bekker 67; Wickelgren 77; Bogacz & al. 06; Fehr & Rangel 11; Krajbich, Lu, Camerer, & Rangel 12; Caplin & Martin 11; Moritz, Siemsen, & Kremer 14; Ratcliff, Smith, Brown, & McKoon 16; Forstmann, Ratcliff, & Wagenmakers 16; Tavares, Perona, & Rangel 17; Bhui 19; Webb 18; Alós-Ferrer, Fehr, & Netzer 22; ...

This paper: Method to infer problem complexity and agent ability from choices alone.

Conclusion

Conclusions

This paper: Experimentally test a method to infer problem complexity and agent ability from choices alone.

Portable measure: how much choices are affected by subsidies increases in problem complexity and decreases in DMs' ability.

Applied to wide range of problem domains: perception, computation, inference, deduction, prediction.

Based on sequential sampling framework.

Predictions involving choices and response time supported by the data.

Response time not good proxy for complexity.

Importance of meta-cognition and learning (a problem's) complexity.

Also in the paper: more detailed analyses, robustness checks (comprehension checks, removing time outliers as per pre-registrations).

Revealing Complexity

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Salvatore Nunnari

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NYU CESS

20 November 2025

Overview

1. Why Not Just Use Response Times?
2. A Method to Infer Complexity (And Ability)
3. Experimental Design
 - Task Domains
 - Perception
 - Computation
 - Inference
 - Logic
 - Prediction
 - Other Experimental Details
4. Prediction 1: Accuracy and Time
5. Prediction 2: Effect of Subsidies on Choices and Time
6. Prediction 3: Revealing Complexity
7. Prediction 4: Revealing Ability
8. Related Literature
9. Conclusion

Balls-and-urns paradigm (Edwards & Phillips 64; cf. Benjamin 19).

[\(Back\)](#)

Two base urns compositions:

$A = (24, 76)$ and $B = (36, 64)$ + symmetric: $A' = (76, 24)$ and $B' = (64, 36)$.

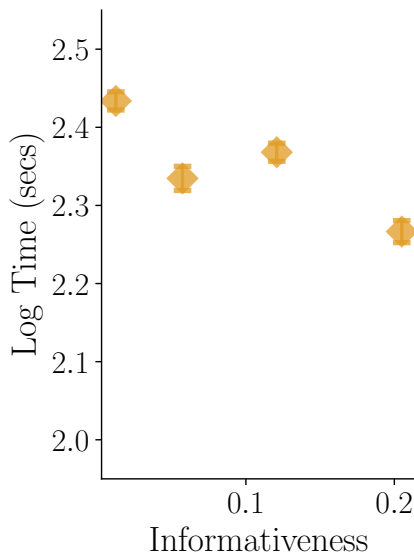
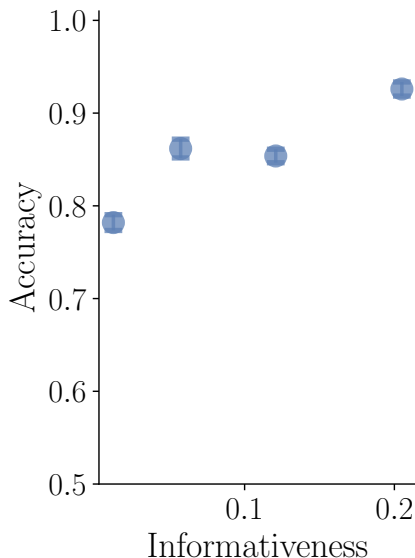
All pairwise combinations (up to relabelling): (AA') , (AB) , (AB') , (BB') . Uniform prior.

Pairs of urns with 4 signals/colours: split each signal into 2 different signals with same likelihood.

E : urn 1/2 is more likely.

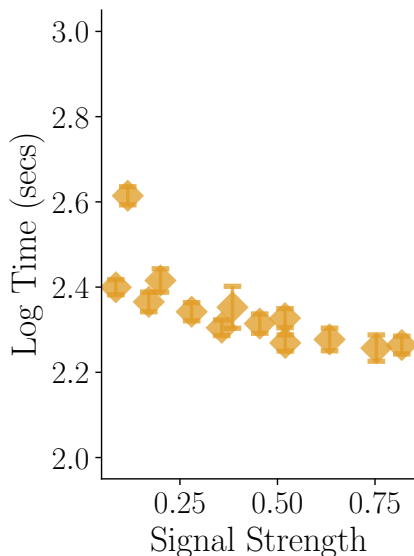
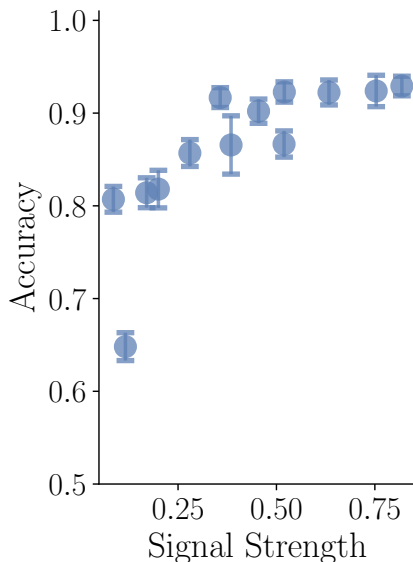
Prediction 1: Accuracy and Time. Inference: Informativeness

[\(Back\)](#)



Prediction 1: Accuracy and Time. Inference: Signal Strength

[\(Back\)](#)



Quitting or Reducing Effort?

(Back)

Quitting when most complex $\implies$ Fastest RT when most complex.

If N rounds of most complex: N fastest rounds correspond to most complex condition.

No one consistently quits with most complex conditions.

Quitting or Reducing Effort?

(Back)

Quitting when most complex $\implies$ Fastest RT when most complex.

If N rounds of most complex: N fastest rounds correspond to most complex condition.

No one consistently quits with most complex conditions.

Weaker condition: 75% of N fastest rounds correspond to most complex condition.

Perception: <1%. Computation: 1.4%. Logic: 3.7%. Prediction: <1%.

Very weak condition: 2/3 of N fastest rounds correspond to most complex condition.

Perception: 5.1%. Computation: 5.1%. Logic: 10%. Prediction: <1%.

Nonmonotonicity because Participants Quitting in Complex Conditions?

No, they still exert effort, just less. Complex conditions not fastest.

[\(Details\)](#)

Also: patterns for RT robust to outliers (e.g., median instead of mean).

Fast or Slow Errors?

[\(Back\)](#)

(Accuracy | RT) increasing and decreasing in RT, depending on task.

Perception and Computation: slower is better.

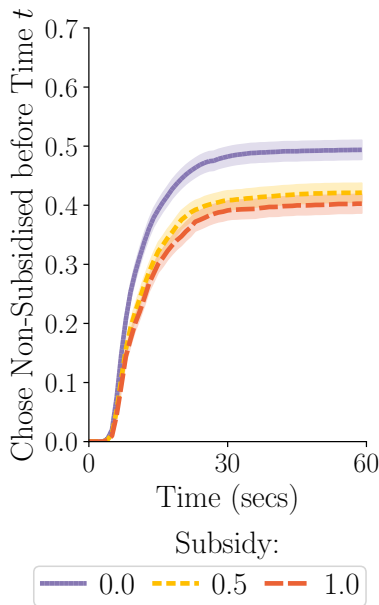
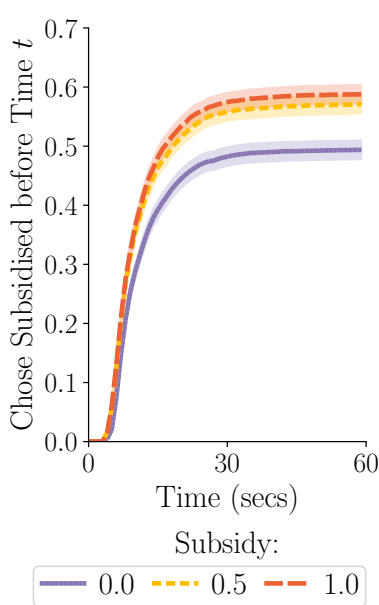
Inference: faster is better.

Logic and Prediction: mixed evidence.

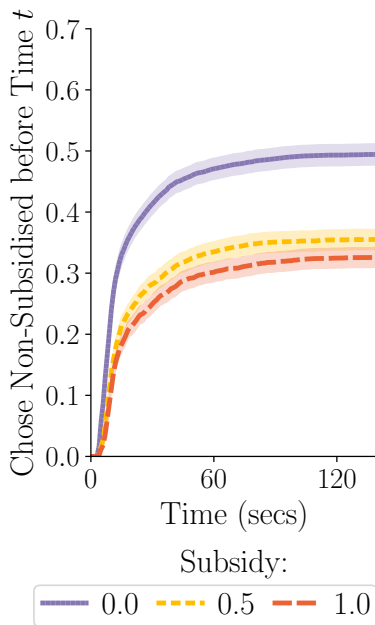
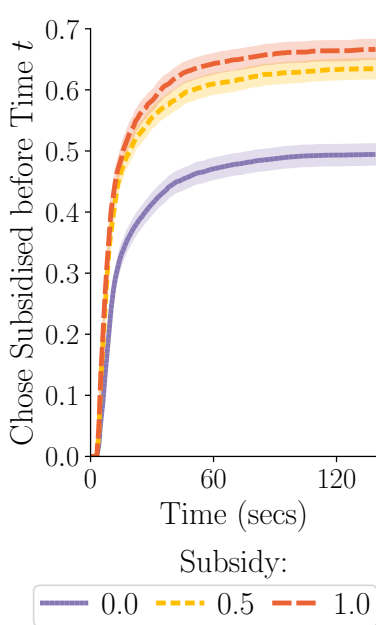
Prediction 1': Accuracy is monotone in ability; time is single-peaked.

Proxy for ability for task with participant average accuracy.

Prediction 2: Effect of Subsidies on Choices and Time Perception [\(Back\)](#)

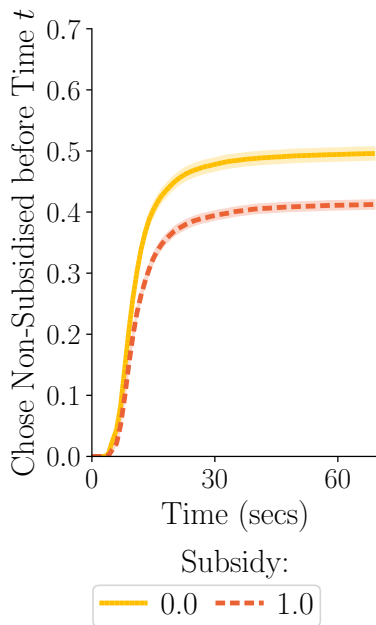
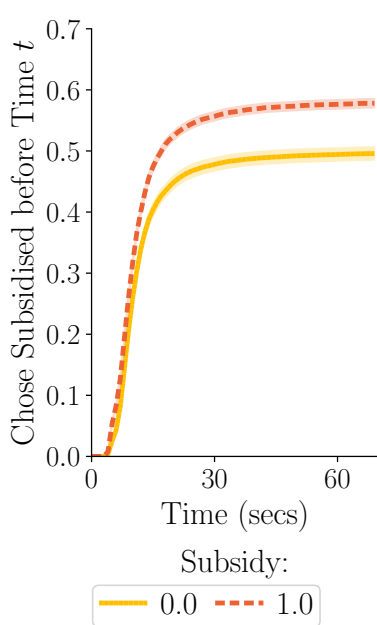


Prediction 2: Effect of Subsidies on Choices and Time. Computation [\(Back\)](#)



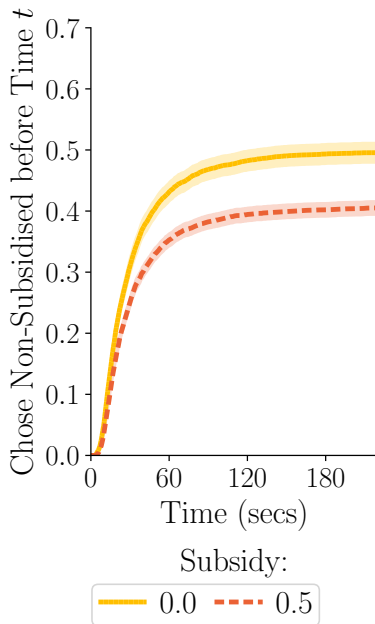
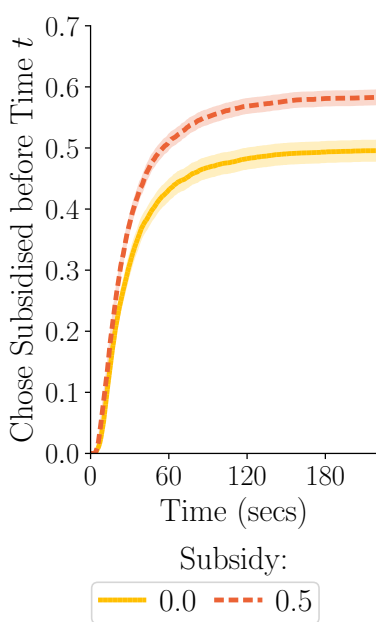
Prediction 2: Effect of Subsidies on Choices and Time. Inference

[\(Back\)](#)



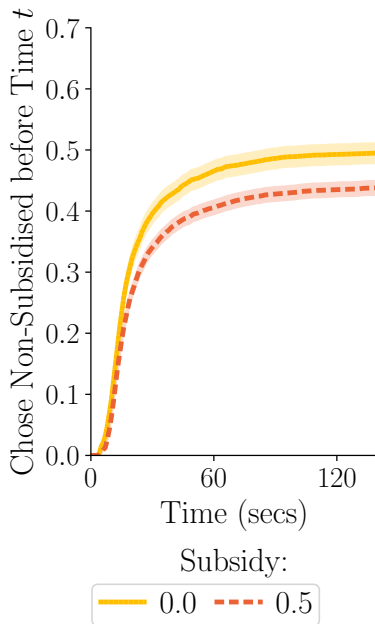
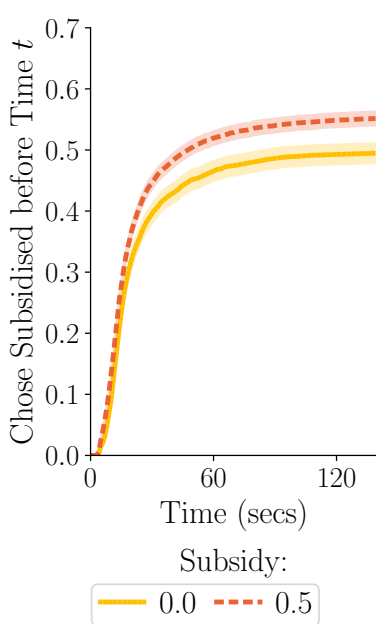
Prediction 2: Effect of Subsidies on Choices and Time. Logic

(Back)



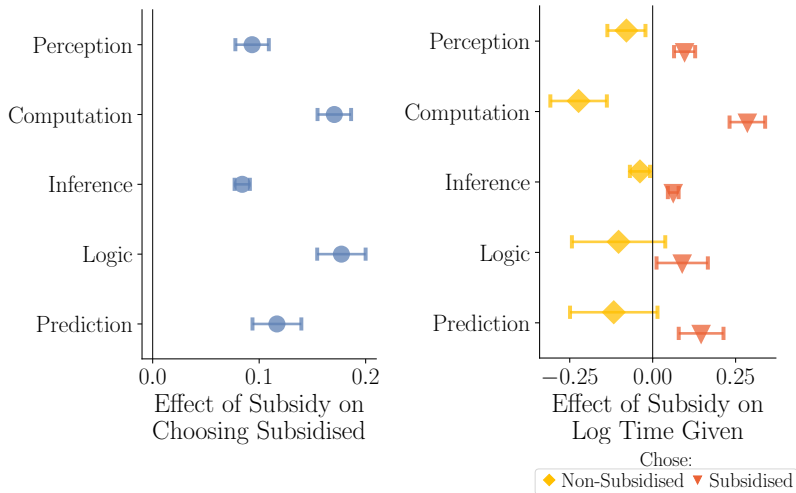
Prediction 2: Effect of Subsidies on Choices and Time. Prediction

[\(Back\)](#)



Prediction 2: Effect of Subsidies on Choices and Time

(Back)

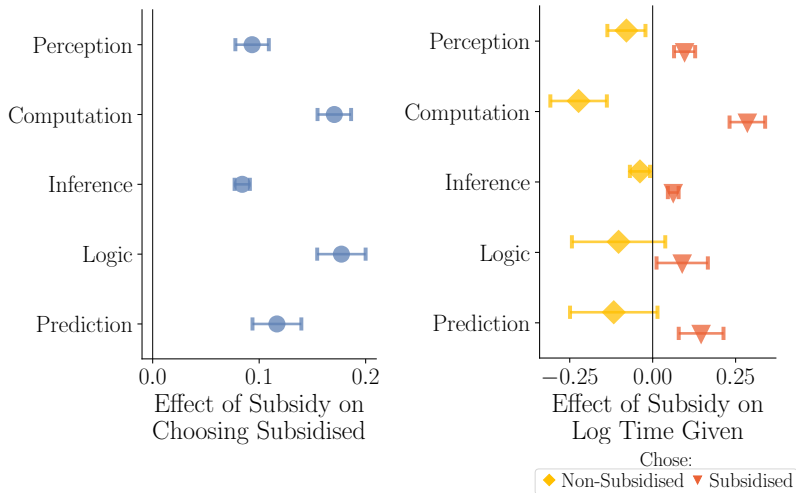


Chose Subsidised = $\beta_0 + \beta_1$ Subsidy

Log RT = $\beta_0 + \beta_1$ Subsidy + β_2 Chose Subsidised $\times$ Subsidy

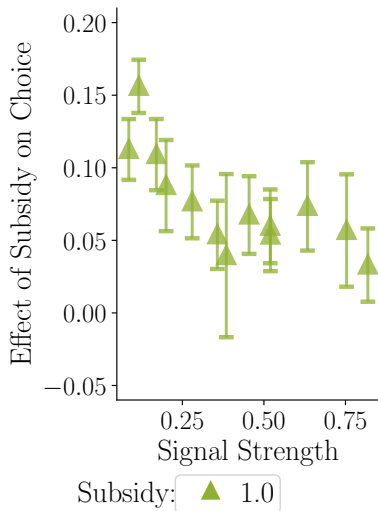
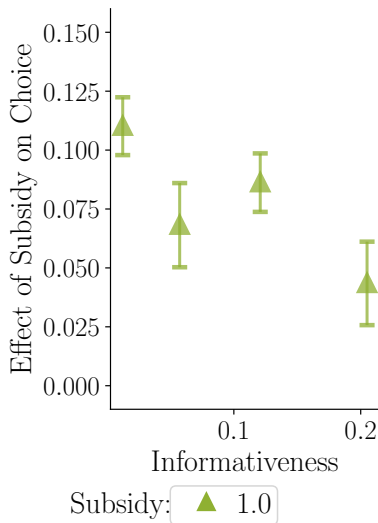
Prediction 2: Effect of Subsidies on Choices and Time

(Back)



Subsidising an alternative leads to it being chosen more often and faster, and to choosing other alternatives less often and slower.

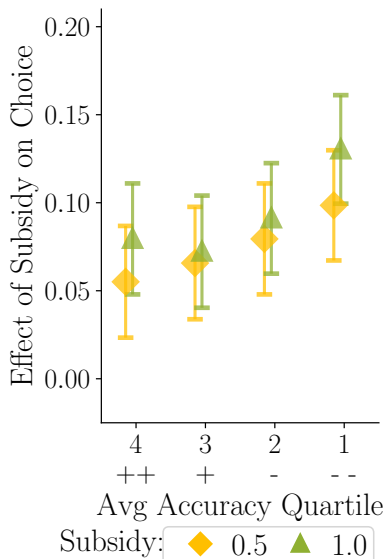
Prediction 3: Revealing Complexity. Inference: Informativeness and [Signal Strength](#) (Back)



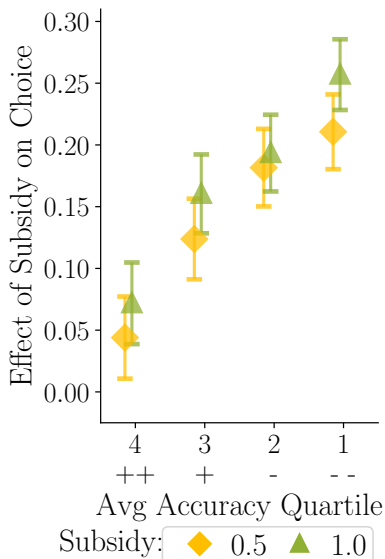
Choices are more responsive to subsidies in more complex problems.

Prediction 4: Revealing Ability. Perception and Computation

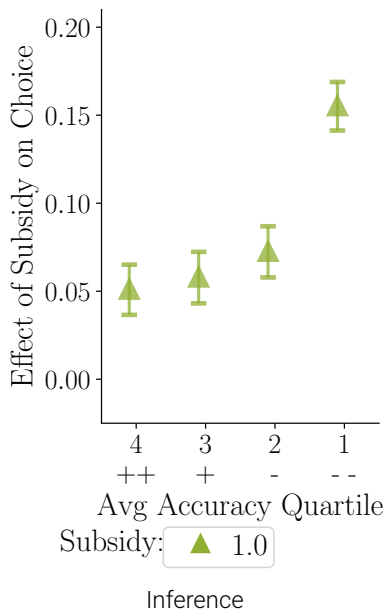
(Back)



Perception

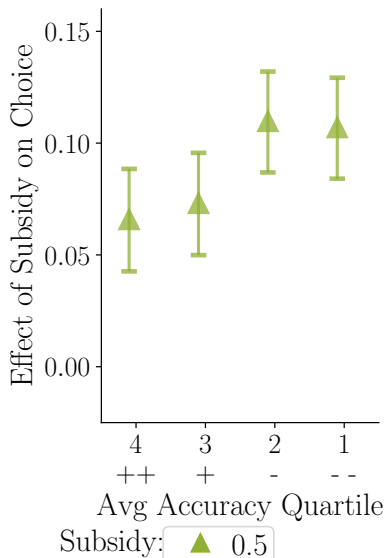


Computation

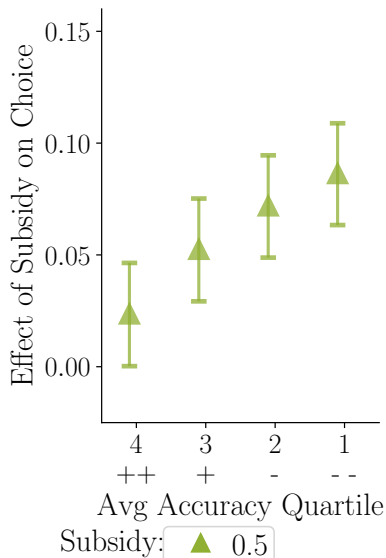


Prediction 4: Revealing Ability. Logic and Prediction

(Back)



Logic



Prediction

Ability and Avg Accuracy: Perception and Computation

(Back)

