

# Future Time Reference & Intertemporal Choices

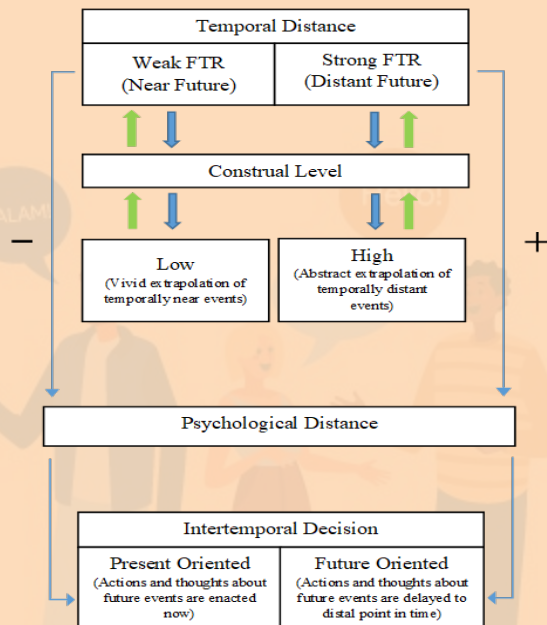
## How the perceived temporal distance to the future affects our decisions today.

Some languages command their speakers to distinctly differentiate between the present and the future, whilst others do not. We pose the question of whether such separation, or the lack thereof, may affect the present behavior of individuals and their subsequent life state. We specifically test whether the speakers of languages with a weak separation of present and future, affiliate themselves more strongly with their future selves and exceed their counterparts in securing a superior welfare status across various domains .

Previous literature postulates that there is a significant effect related to the way a language references future events on decisions made today by their speakers. Specifically, the speakers of languages that allow describing future states in the present tense or without the use of auxiliary future markers (weak FTR), such as the word “will” in the English language, tend to perceive the temporal distance to the future as nearer compared to speakers of languages that distinctly use the future tense or future markers (strong FTR). As a result weak FTR speakers direct their present time decisions towards realizing a certain state in the future, while strong FTR speakers delay their actions and concerns about future states until these perceivably grow nearer. Previous work on the topic indicates for instance that weak FTR speakers tend to save more and are have a better health status (Chen, 2013).

Thus, our aim was to replicate these previous findings in an experimental setting and extend the theory to the domains of intergenerational discounting and product evaluation. In a series of four hypothetical scenarios we presented participants with future outcomes that may materialize based on decisions they could make today, whereas the temporal distance was linguistically manipulated between conditions by varying the using either the present or future tense, such that future depictions outcome are consistent with a weak or strong FTR language.

Chen, M. K. (2013). The effect of language on economic behavior: Evidence from savings rates, health behaviors, and retirement assets. *American Economic Review*, 103(2), 690-731.



**Savings.** In regards of the saving propensity we expected to find that weak FTR speakers perceive the need to for securing a financially stable status in the future as more imminent, compared to strong FTR speakers, thus saving more of their current financial resources.

**Intergenerational Discounting.** We expected that weak FTR speakers would exploit less of commonly shared resource compared to strong FTR speakers, especially if the exploitation has detrimental consequences for future generations, given that the consequences seem temporally near.

**Healthcare Behavior.** In line with the presented theory the expectation was that weak FTR speakers perceive the risk of developing health complications as more severe in the future and thus actively wok more in the present time on reducing such risks compared to strong FTR speakers.

**Product Evaluation.** We expected that temporal distance conveyed by a weak or strong FTR language may also affect how people evaluate the benefits to be derived from a product purchase. Specifically, we expected that the nearer the purchasing time frame is, the more people focus on secondary feasibility related features. Whereas, if the purchase timing is in the distant future people would place more focus on selecting a product with main desirable features. However, a general preference for products that are high in desirability but low in feasibility should pertain over products with low desirability but high feasibility.

The results of the experimental investigation so far did not indicate a significant difference between the intertemporal choices of weak and strong FTR speakers across the tested domains based on the difference in temporal distance. A possible explanation for such could be the subtlety with which the linguistic manipulation suggested the temporal distance to be, which may only be perceived by participants given a longer conditioning phase. Thus, the topic is indeed due for further novel empirical operationalization in order to thoroughly examine if different FTR characterized languages truly affect the intertemporal decisions of their speakers.