

Privacy and Behavioral Economics: The Control Paradox and Other Studies

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How do we make decisions about the privacy of our personal information? In this talk, I will first highlight how research in behavioral economics can help us make sense of apparent inconsistencies in privacy (and security) decision-making. Then, I will present results from a number of experiments conducted at Carnegie Mellon University, including a recent study of the complex relationship between privacy and control. Normatively, privacy is often associated with an individual's control over her personal information. However, in a series of experiments, we investigated the effect that granting more control over information revelation has on individuals' propensities to share sensitive data. We found that real or perceived control over information publication increases the likelihood that individuals will disclose sensitive information, even when the objective risks associated with such disclosures actually increase. We call this the privacy control paradox. Our findings highlight that merely granting users more "control" over their personal information or privacy settings does not guarantee that they will be able to find a desirable balance between information disclosure and information protection. In fact, technologies that make individuals feel more in control over the publication of personal information may potentially carry the unintended consequence of eliciting more risky disclosures.

Bio: Alessandro Acquisti is an Associate Professor at the Heinz College, Carnegie Mellon University; the co-director of CMU Center for Behavioral Decision Research (CBDR); and a member of the National Academies' Committee on Public Response to Alerts and Warnings Using Social Media and Associated Privacy Considerations. Alessandro's work studies the economics of privacy.

His manuscripts have spearheaded the application of behavioral economics to the analysis of privacy decision making, and the study of privacy risks and disclosure behavior in online social networks. Alessandro has been the recipient of the PET Award for Outstanding Research in Privacy Enhancing Technologies, the IBM Best Academic Privacy Faculty Award, and multiple best paper awards. He holds a PhD from UC Berkeley, and held visiting positions at the Universities of Rome, Paris, Freiburg, and at Microsoft Research in New England.