**Are Reference Points (Necessarily) Lagged Beliefs Over Probabilities?**

**Abstract:**

Koszegi and Rabin’s (2006 and later) model of expectations-based reference-dependent preferences offers a unified explanation for a diverse body of existing evidence across different domains. However, direct tests of the model have generated mixed evidence: in only a subset of what appear to be similar experimental setups are lagged-probability-beliefs treatments found to affect behavior as predicted by the theory. The present paper aims to investigate why. We focus on the hypothesis that exogenously endowing individuals with lagged beliefs regarding probability distributions in a laboratory setup may not be sufficient for establishing (behavior-affecting) reference points. We explore this hypothesis by conducting new experiments that replicate existing ones but add new manipulations that endow individuals with additional, visual/physical impressions of the relevant probabilities. Our new manipulations yield evidence that is more consistent with the model’s predictions in an endowment-effect context but not in a labor-provision context.