

JOB MARKET PAPER

Too Much Information & The Death of Consensus

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October 12, 2023

Abstract

Modern society is increasingly polarized, even on purely factual questions, despite greater access to information than ever. In a model of sequential social learning, I study the impact of *motivated reasoning* on information aggregation. This is a belief formation process in which agents trade-off accuracy against ideological convenience. I find that even Bayesian agents only learn under extremely connected network structures, where agents have arbitrarily large neighborhoods asymptotically. This is driven by the fact that motivated agents sometimes reject the Bayesian belief implied by their neighbors' actions when it supports their disfavored state. Observing any finite neighborhood, there is always some probability that all of an agent's neighbors will have disregarded information thus. Moreover, I establish that *consensus*, where all agents eventually choose the same action, is only possible with relatively uninformative private signals and low levels of motivated reasoning.

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