

Applied Behavioral Economics 730A27

Course literature:

Lecture 1:

- Falk, A., Heckman, J.J. 2009 "Lab Experiments Are a Major Source of Knowledge in the Social Sciences." *Science* 326, 535-538
- Mulainathan S, Thaler R, 2000. "Behavioral Economics", NBER Working Paper Series, working paper 7948 <https://www.nber.org/papers/w7948.pdf>
- Thaler, R. 2016. "Behavioral Economics: Past, Present, and Future." *American Economic Review*, 106(7), 1577-1600

Lecture 2:

- Camerer, C. 1998. "Prospect Theory In The Wild: Evidence From The Field" <https://authors.library.caltech.edu/80314/1/sswp1037.pdf>
- Kahneman D., Tversky A. 1979. "Prospect Theory: An Analysis of Decision under Risk" *Econometrica* 47(2), 263-291

Lecture 3:

- Fredrick, S., Loewenstein, G., O'Donoghue, T. 2002 "Time discounting and time preference: A critical review" *Journal of Economic Literature*, 40, 351-401
- O'Donoghue, T., Rabin, M., 2000. "The economics of immediate gratification" *Journal of Behavioral Decision Making*, 13, 233-250
- TED Talk by Hal Hershfield: <https://youtu.be/tJotBbd7MwQ>

Lecture 4:

- Simon, H. A. (1955). A behavioral model of rational choice. *The Quarterly Journal of Economics*, 69(1), 99-118.
- Simon, H. A. (1959). Theories of decision-making in economics and behavioral science. *The American Economic Review*, 49(3), 253-283.
- Tversky, A., & Kahneman, D. (1974). Judgment under uncertainty: heuristics and biases. *Science*, 185(4157), 1124-1131.

Lecture 5 & seminar on Behavioral Public Policy:

- Cappelen, A. W., Konow, J., Sørensen, E. Ø., & Tungodden, B. (2013). Just luck: An experimental study of risk-taking and fairness. *American Economic Review*, 103(4), 1398-1413.
- Charness, Gary, and Mathew Rabin. 2002. "Understanding Social Preferences with Simple Tests." *The Quarterly Journal of Economics* 117 (3): 817-69.
- Davidai, S., & Gilovich, T. (2016). The headwinds/tailwinds asymmetry: An availability bias in assessments of barriers and blessings. *Journal of personality and social psychology*, 111(6), 835.

- Engelmann, Dirk, and Martin Strobel. 2004. "Inequality Aversion, Efficiency, and Maximin Preferences in Simple Distribution Experiments." *American Economic Review* 94 (4): 857–69.
- Tinghög, G., Andersson, D., & Västfjäll, D. (2017). Are Individuals Luck Egalitarians?– An experiment on the influence of brute and option luck on social preferences. *Frontiers in psychology*, 8, 460.

Seminar on reproducibility of scientific research and open science (recommended reading):

- Nelson, L.D., Simmons, J., & Simonsohn, U. (2018). Psychology's renaissance. *Annual Review of Psychology*, 69, 511–534.
- Camerer, C. F. et al. (2016). Evaluating replicability of laboratory experiments in economics. *Science*, 351 (6280), 1433–1436.

Lecture 6:

- Cass R. Sunstein, *Nudging: A Very Short Guide*, 37 *J. Consumer Pol'y* 583 (2014). <http://nrs.harvard.edu/urn-3:HUL.InstRepos:16205305>
- Chapter 4 (Altruism and social preferences) in the book "Bounds of Reason" – will be uploaded on course website, not mandatory

Seminar on Behavioral Finance:

- Hershfield, H. E., Goldstein, D. G., Sharpe, W. F., Fox, J., Yeykelis, L., Carstensen, L. L., & Bailenson, J. N. 2011. "Increasing Saving Behavior Through Age-Progressed Renderings Of The Future Self". *Journal of marketing research*, 48, S23–S37. <https://doi.org/10.1509/jmkr.48.SPL.S23>
- Lunn, P., Bohacek, M., Rybicki, A., 2016. „An Experimental investigation of Personal Loan Choices" Price Lab report, available to download from www.esri.ie
- Shah, A., Mullainathan, S. & Shafir, E. (2012). "Some Consequences of Having Too Little" *Science*. 338, 682-85. DOI: 10.1126/science.1222426
- Thaler, R. H., & Benartzi, S., 2004. "Save More Tomorrow: Using behavioral economics to increase employee saving." *Journal of Political Economy*, 112, S164-S187.
- Hershfield, H. E., Shu, S., Benartzi, S. 2020. "Temporal Reframing and Participation in a Savings Program: A Field Experiment." *Marketing Science*

Seminar on Managerial Decision Making:

- Bolton, G. E., Ockenfels, A., & Thonemann, U. W. (2012). Managers and students as newsvendors. *Management Science*, 58(12), 2225-2233.
- Graf, L., König, A., Enders, A., & Hungenberg, H. (2012). Debiasing competitive irrationality: how managers can be prevented from trading off absolute for relative profit. *European Management Journal*, 30(4), 386-403.

- Haerem, T., Kuvaas, B., Bakken, B. T., & Karlsen, T. (2011). Do military decision makers behave as predicted by prospect theory?, *Journal of Behavioral Decision Making*, 24(5), 482-497.
- Karevold, K. I., & Teigen, K. H. (2010). Progress framing and sunk costs: how managers' statements about project progress reveal their investment intentions. *Journal of Economic Psychology*, 31(4), 719-731.
- Schulz-Hardt, S., Jochims, M., & Frey, D. (2002). Productive conflict in group decision making: genuine and contrived dissent as strategies to counteract biased information seeking. *Organizational Behavior and Human Decision Processes*, 88(2), 563-586.

Seminar on Behavioral Interventions:

- Allcott, H., & Mullainathan, S. (2010). Behavior and energy policy. *Science*, 327 (5970), 1204–1205.
- Benartzi, S., Beshears, J., Milkman, K. L., Sunstein, C. R., Thaler, R. H., Shankar, M., . . . Galing, S. (2017). Should governments invest more in nudging? *Psychological Science*, 28 (8), 1041–1055.
- Johnson, E. J., & Goldstein, D. (2003). Do defaults save lives? *American Association for the Advancement of Science*.
- Knutsson, M., Martinsson, P., & Wollbrant, C. (2013). Do people avoid opportunities to donate? A natural field experiment on recycling and charitable giving. *Journal of Economic Behavior & Organization*, 93, 71–77.
- Thaler, R. H., & Benartzi, S. (2004). Save more tomorrow: Using behavioral economics to increase employee saving. *Journal of political Economy*, 112 (S1), S164–S187.