

Behavioral Economics

Graduate Reading Seminar, Fall Semester 2013
Tuesdays, 2:30-3:45. Gund Institute Conference Room

Taylor Ricketts. taylor.ricketts@uvm.edu
Brendan Fisher. Brendan.fisher@wwfus.org

How do people REALLY make choices? Mainstream economic models often assume that people are fully rational and make decisions to maximize their private gain. But the field of Behavioral Economics is finding that the ways in which people make decisions is much more interesting and nuanced than that. People alter their choices dramatically based on social setting, previous experience, and psychological factors. These insights are critical to current sustainability issues like managing public goods, encouraging energy conservation, and building support for environmental initiatives. And they reveal how phenomena like crowding out, social approval, anchoring, and priming affect our everyday decisions.

Framing questions for the semester:

- *What factors influence everyday decisions about resources and conservation?*
- *How do we balance self-interest with fairness and community?*
- *How can emerging behavioral research help us move towards a more sustainable future?*

Students will:

- gain solid sense for current findings from behavioral economics,
- get valuable practice in reading journal articles critically,
- help to identify future directions for the Gund Institute's work in this area.

How the course will work:

- Read a recent review for first discussion. From this, agree on topics of interest and select papers to read for rest of semester.
- Each week 2 related papers assigned: 1 required, 1 optional
- Leadership of discussion rotates among students each week.
- Final group project to design a simple experiment yourselves.
- Grade based on participation and contributions to discussions

Role for weekly discussion leader:

- Read papers carefully – consult with Brendan and Taylor if confused
- Summarize paper at beginning of meeting – 5 minutes
 - Big issue
 - What was the approach of the research
 - What were the findings
 - How this research relates to broader sustainability issues
- Lead discussion
 - keep it on important aspects, not details or tangents
 - make space for everyone to talk

Useful discussion questions for each paper:

- What is the main contribution/advance of this work?
- Is the evidence convincing? What would make it more so?
- How do the results and insights relate to sustainability issues?
- How would you extend or build on this paper?

Schedule:

Aug. 27: Introductions, get organized, class experiments
Sept. 3: Review paper – discuss and nominate papers (Brendan away)
Sept. 10: (Brendan away)
Sept. 17: (Taylor away)
Sept. 24: (Taylor away)
Oct. 1:
Oct. 8:
Oct. 15: (Steve Polasky visit)
Oct. 22:
Oct. 29: Gund Institute research slam (Brendan away)
Nov. 5:
Nov. 12: (Taylor away) (Brendan away (maybe))
Nov. 19:
Nov. 26: Thanksgiving break
Dec. 3: Experiments
Dec. 10: Experiments