Econ 311:
Advanced Behavioral and Experimental Economics

Prof. Jeffrey Naecker

Where We Meet

Tuesday and Thursday – 2:40pm to 4:00 pm – PAC 004

How to Contact Me

Email jnaecker@wesleyan.edu
Phone (860) 685-2503
Office PAC 321
Hours Tuesday and Thursday 10:30-11:30 am

What This Class is About

This course introduces students to behavioral and experimental economics. Behavioral economics is study of human behavior that falls outside of the standard model of perfect rationality, pure selfishness, and exponential discounting. Experimental economics is a tool for collecting data in the laboratory, in the field, or online.

What I Hope You Get Out of This Class

By the end of the this class, you should be able to do the following:

• Explain how humans make decisions involving judgement, risk, time, and social factors at the level that another Wes student would be able to understand
• Describe mathematically the state-of-the-art theories we use to explain behavior in these settings

• Make hypotheses about novel experiments or economic settings involving individual or group decision-making

• Design, run, and analyze your own lab, field, or online experiment

How Class Time Will be Spent

Most lectures will begin with a student-led discussion of one or two selected readings. These readings will relate to the previous class day’s lecture. We will then move to the next topic, often beginning with an in-class experiment or exercise and rounded off by a short lecture from me.

A Note on Technology

During some in-class exercises, you will need to use technology (laptop, tablet, or phone). I will let you know ahead of time to bring one of these devices. You can also double-up with another student.

During the rest of class time, I do not expect to ban the use of any particular technology. I do expect that you will not use your cell phones in class. I also highly recommend that you take notes by hand and not by laptop or tablet. If you do need to use these devices, please don’t distract your neighbors by doing anything other than note-taking. If this becomes a problem I may have to be more strict about which technology is allowed.

What You Should be Reading

The required textbook is Thinking Fast and Slow by Daniel Kahneman.

Following each class meeting, there will be a set of readings: most will be for background only, to read as needed, while 1-2 will be required reading for the next class. They will include selected chapters from TFAS as well as research papers. My lecture notes will also be available for you to review. All of the digital resources will be available on Moodle.

What is Expected of You

• Review my lecture notes and any of the suggested reading for the previous class meeting (as needed).
• Do the required reading (one or two items) for our upcoming class meeting.
• Post about one of the required readings on Moodle discussion forum no later than 11 pm the night before the upcoming lecture.
• Comment on at least one of your classmate’s posts in advance of each lecture.
• Participate in class discussion on the reading(s).
• One time this semester: Lead the class discussion on a required reading.
• Participate in any other class exercises during our meeting time.
• Ask questions during my lecture time.
• Turn in problem sets on time.
• Come to my office hours if you have any questions that are not answered in class.

What You Should Expect of Me

• I will assign readings for each class meeting.
• I will give lectures on each topic and provide my lecture notes for review.
• I will write, grade, and give solutions for problem sets and the final exam.
• I will give feedback on your research proposal talks and papers.
• I will be available for during my office hours (and additionally by appointment if those times do not work or you need to discuss something privately).

How Your Grade is Calculated

Overview

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<thead>
<tr>
<th>Assignment</th>
<th>Weight (pct)</th>
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<tbody>
<tr>
<td>Posting and commenting in discussion forum</td>
<td>25</td>
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<tr>
<td>Leading class discussion (1 time)</td>
<td>5</td>
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<td>Participating in classroom exercises and experiments</td>
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<td>Problem Sets</td>
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<td>Research Proposal Presentation</td>
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Details

Discussion board posts

You should read the required reading and make a post of at least 100 words on Moodle no later than 11 pm the night before the lecture. The content of the post can be anything at all that is related to the reading. If you get stuck, I suggest you think about how you would answer the following questions:

• What do you see as the primary contribution of this paper? How would you explain this contribution to someone else in the class? How would you explain it to your grandparents?
• What data did this paper use (if any)? Can you think of a better data source or experiment?
• Can you think of any alternate explanations for the behavior observed in the data or predicted by the theory?

You should comment on at least one classmate’s post no later than the start of the next lecture.

Leading class discussion

One time this semester, you will be required to lead a classroom discussion for at least 15 minutes on a required reading. A successful student should do the following:

• Summarize the motivation for the paper
• Explain where the paper fits in the field
• List the main methods of the paper
• Review the key findings of the paper
• Facilitate discussion, for example with questions or a proposal for how to improve upon the research

Classroom exercises and experiments

Classroom exercises or experiments will occur during most meetings. Some exercises will be verbal or on paper. I will remind you to bring your laptops or other devices if they are needed. Your score will be calculated from your participation in these exercises, not your performance.
Problem Sets

I will send out the problems along with their due date via Moodle. You are highly encouraged to work in groups, but everyone must turn in their own problem set, written (or typed) by themselves, no later than 5:00 pm on the due date. Problem sets are due to my the course dropbox on the first floor of PAC. Grading is simple: You get credit for a problem if you turn in a justified, complete answer for that problem, even if the answer is totally wrong.

Research Proposal

In the penultimate week of the course, you will give a 10-minute presentation proposing a novel research project. You will also have short paper due on this proposal at the end of the semester. The paper can be uploaded via Moodle. Details on both of these items will be forthcoming later in the semester.

Final Exam

We will have final exam at the official registrar’s time for this class’s meeting pattern: Tuesday, December 15, 7:00-10:00 pm. The location will be announced when the registrar assigns us a room. If you have done the course readings, participated in discussions, and mastered the problem sets, you should be well-prepared for the exam.

Disability Resources

Wesleyan University is committed to ensuring that all qualified students with disabilities are afforded an equal opportunity to participate in and benefit from its programs and services. To receive accommodations, a student must have a documented disability as defined by Section 504 of the Rehabilitation Act of 1973 and the ADA Amendments Act of 2008, and provide documentation of the disability. Since accommodations may require early planning and generally are not provided retroactively, please contact Disability Resources as soon as possible. If you believe that you need accommodations for a disability, please contact Dean Patey in Disability Resources, located in North College, Room 021, or call 860) 685-5581 for an appointment to discuss your needs and the process for requesting accommodations.
Course Outline

This course outline is provisional and may be updated at any point in the semester depending on pace and student interest.

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<td>1 Sept 8</td>
<td>Administrative overview; the standard model; types of economic data</td>
<td>3 Sept 15</td>
<td>Judgement and Beliefs</td>
<td>5 Sept 22</td>
<td>Risk Preferences</td>
<td>11 Oct 13</td>
<td>Social Preferences</td>
<td>Oct 27</td>
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<td>18 Nov 10</td>
<td>Gender and Discrimination</td>
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<td>2 Sept 10</td>
<td>Guest Lecture: Kathleen Schmidt, Assistant Prof of Psychology</td>
<td>4 Sept 17</td>
<td>Judgement and Beliefs</td>
<td>6 Sept 24</td>
<td>Risk Preferences</td>
<td>12 Oct 15</td>
<td>Social Preferences</td>
<td>15 Oct 29</td>
<td>Behavioral Game Theory</td>
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<td>16 Nov 3</td>
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