Econ 311:
Advanced Behavioral and Experimental Economics

Prof. Jeffrey Naecker

Where We Meet

Monday and Wednesday – 2:50pm to 4:10 pm – PAC 004

How to Contact Me

Email  jnaecker@wesleyan.edu
Phone  (860) 685-2503
Office  PAC 321
Hours  Monday 1:30pm to 2:30 pm, Wednesday 10:30am to 11:30am

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.

How to Contact the Teaching Staff

TA  Simon Korn (skorn@wesleyan.edu)
Review/Office Hours  Tuesday 7:00pm - 9:00pm, PAC 004
CA  Charles Qian (aqian@wesleyan.edu)
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 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 lecture from me.

A Note on Technology

During some in-class exercises, you will need to use technology (laptop, tablet, or phone). I will try to 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 textbooks is Thinking Fast and Slow by Daniel Kahneman. In addition, I will suggest useful readings from Introduction to Behavioral Economics by David Just.

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 8:00 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.
- Give a presentation and write a short paper proposing an original research idea.
- 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).
Where to Get Help

- The class Piazza page
- Your TA’s section/office hours (PAC 004)
- My office hours (Monday 1:30pm to 2:30 pm, Wednesday 10:30am to 11:30am in PAC 321)
- Econ workshop (Sun-Thu 7-9 p.m. in PAC 104)
- Math workshop (Sun-Thur 7-10 p.m. and Mon-Thur 2:30-5 p.m. in Science Library)

How Your Grade is Calculated

Overview

<table>
<thead>
<tr>
<th>Assignment</th>
<th>Weight (pct)</th>
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<tbody>
<tr>
<td>Posting and commenting in discussion forum</td>
<td>20</td>
</tr>
<tr>
<td>Leading class discussion (1 time)</td>
<td>5</td>
</tr>
<tr>
<td>Participation</td>
<td>10</td>
</tr>
<tr>
<td>Problem Sets</td>
<td>20</td>
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<tr>
<td>Research Proposal Presentation</td>
<td>15</td>
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<td>Research Proposal Paper</td>
<td>15</td>
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<tr>
<td>Final Exam</td>
<td>15</td>
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Details

Discussion board posts

You should read the required reading and make post of at least 100 words on Moodle no later than 8:00 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?

On a stylistic note, please avoid using filler or hedging phrases like “I found this interesting because” or “In my opinion.” Also, while personal anecdotes are acceptable, please make sure to demonstrate how they connect to the reading.

You must also comment on at least one classmate’s post to receive credit for your posting. Grading is binary: you receive credit if you post at least 100 relevant words and comment on at least one other post. Exceptional posts and comments may factor in to your participation grade, however.

Leading class discussion

One time this semester, you will be required to lead 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.

Participation in classroom experiments will make up part of your participation grade. If you have to miss class, please email me ahead of time with an explanation. Do not come to class if you are sick!

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.
No late problem sets will be accepted, but the lowest scoring set will be dropped from your grade. Grading is on a check-minus, check, and check-plus scale for each problem. To receive a check-plus on a question, all parts must be attempted and fully correct, with allowance for 1-2 small (i.e., algebraic or typographic) errors. To receive a check, all parts must be attempted and generally correct, with allowance for 1-2 major (i.e., conceptual) errors. To receive a check-minus, the majority of the parts of a problem must be attempted, though not necessarily correct. Anything less will earn a zero on that problem. A check-plus is equivalent to a 95, a check is equivalent to an 84, and a check-minus is equivalent to a 73.

The following guidelines make it easier for your problem set to be graded and returned to you promptly:

- Write large and legibly
- Show all your work and justifications for each answer
- Where possible, box or otherwise highlight your final answer
- Staple or paperclip all your pages in order
- Make sure your paper has clean edges

Research Proposal

In the last two weeks 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. 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.

You are not allowed any aids during exams, with the exception of a calculator and a small set of notes (a “cheat sheet”). The exact amount of notes will depend on the exam. The notes must be readable without the aid of a magnifying glass. They may be hand-written or typed.
Miscellaneous

Piazza

This term we will be using Piazza for class discussion. The system is highly catered to getting you help fast and efficiently from classmates, the TA, and myself. Rather than emailing questions to the teaching staff, I encourage you to post your questions on Piazza. If you have any problems or feedback for the developers, email team@piazza.com. Find our class page here. Participation is voluntary, but asking questions and helping your classmates will be factored in to your participation score.

Emails

Please email me if you have a question that you feel is not appropriate for Piazza, or if you need to schedule a time outside of office hours to meet with me. Please include the course number in your subject line (eg, “Econ 311: Request for meeting”). Please include your available times for the day(s) you would like to meet.

PollEverywhere

We will use the website/app PollEverywhere to run polls and other exercises in class through your computer or phone. I will post all polls at PollEv.com/jeffreynaek992. You can participate by going to that website with any web-enabled device, by text, or by installing an app on your mobile device. Participation is not required but is extremely helpful for assessing your learning and fine-tuning my lectures.

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.
Econ 311 Course Schedule

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<tr>
<th>Date</th>
<th>Topic</th>
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<tbody>
<tr>
<td>Sep 5</td>
<td>Administrative overview; the standard model; types of economic data</td>
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<tr>
<td>Sep 7</td>
<td>Building blocks: Bayes’ rule, experimental design</td>
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<td>Sep 12</td>
<td>Belief Biases</td>
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<tr>
<td>Sep 14</td>
<td>Belief Biases; Bounded Rationality</td>
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<td>Sep 19</td>
<td>Risk Preferences: Introduction to Risk</td>
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<tr>
<td>Sep 21</td>
<td>Risk Preferences: Prospect Theory and the Endowment Effect</td>
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<tr>
<td>Sep 26</td>
<td>Risk Preferences: More Evidence</td>
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<tr>
<td>Sep 28</td>
<td>Time Preferences: Introduction to Time</td>
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<td>Oct 3</td>
<td>Time Preferences: Present Bias</td>
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<tr>
<td>Oct 5</td>
<td>Time Preferences: Commitment</td>
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<tr>
<td>Oct 10</td>
<td>Social Preferences: Introduction</td>
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<tr>
<td>Oct 12</td>
<td>Social Preferences: Reciprocity</td>
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<tr>
<td>Oct 17</td>
<td>Social Preferences: Status, Conformity, and Norms</td>
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<tr>
<td>Oct 19</td>
<td>Behavioral Game Theory</td>
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<tr>
<td>Oct 24</td>
<td>no class – fall break</td>
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<tr>
<td>Oct 26</td>
<td>Auctions</td>
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<td>Oct 31</td>
<td>Markets and Bubbles</td>
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<td>Nov 2</td>
<td>Gender and Discrimination</td>
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<td>Nov 7</td>
<td>Brain and Emotion</td>
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<td>Nov 9</td>
<td>Nudges and Incentives</td>
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<td>Nov 14</td>
<td>TBA</td>
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<td>Nov 16</td>
<td>Behavioral Public Policy</td>
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<td>Nov 21</td>
<td>Behavioral economics and the internet; research integrity</td>
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<td>Nov 23</td>
<td>No class – Thanksgiving</td>
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<td>Nov 28</td>
<td>Course Review/Where To Go Next</td>
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<td>Nov 30</td>
<td>Research Proposal Presentations</td>
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<td>Dec 5</td>
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