

ECON 215-A: BEHAVIORAL ECONOMICS

Fall 2024

Instructor: Professor Ralston	Time: MW 1:00 - 2:20 PM
Email: ralstonj@whitman.edu	Place: Maxey 204

Class Structure: I have tried to make class materials as accessible – and myself as accommodating – as possible. To that end, I will create lecture handouts which will be filled in as we discuss topics in class. The data from our in class experiments will also be hosted on the Canvas website.

If you can think of a resource you would like to see that I have not mentioned specifically, please email me and let me know.

Office Hours: Tuesday & Thursday from 11:00 - 1:00 PM, or by appointment. My office is Maxey 223.

Required Materials: There is one required textbook for this class, Eric Angner's *A Course in Behavioral Economics (3rd edition)*. Our course will follow through much of what is discussed in this textbook, though sometimes we will take detours when worthwhile.

There are several works you may wish to read if you are interested in the topics covered in class:

1. *Thinking Fast & Slow* by Daniel Kahneman
2. *Nudge* by Richard Thaler
3. *Misbehaving* by Richard Thaler
4. *Behavioral Game Theory* by Colin Camerer

We will be reading articles for class. These articles will be handed out in class and will be accompanied by a reading guide that will accompany homework assignments. These reading guides will help guide discussion as well as count for part of your homework grade.

Experiments: In addition to these papers, we will be taking a more hands-on approach to studying behavioral economics. We will be using my own software and some pen-and-paper experiments in class when we begin exploring a new concept.

Before running an experiment I will always discuss how it is performed. Generally on experiment days, a majority of class time will be spent performing and discussing the experiment. Lectures will usually be held on days when we do no experiments.

Objectives: The objective for this course is for you to gain an understanding of how economists' conception of economic behavior has been shaped by ideas shaped by other disciplines. This course should allow you to understand the experimental method, how people come to make their economic decisions, and where

the field of behavioral economics is headed. You will generally gain an intuition for new economic theories by participating in demonstrative in-class experiments before discussing them and additional associated literature in groups.

Communication: I will inform the class regularly about upcoming plans and changes to the class website on Canvas. You can find all lecture notes, homework solutions, and links to discussion material on the Canvas website.

Tentative Course Outline:

Week	Day	Topic	Reading	HW
1	Sep 4	Introduction & History of Behavioral Economics	Ch.1 & Paper	–
2	Sep 9	HW #1 & Rational Choice (Day 1)	Ch. 2.1 - 2.3	HW #1
	Sep 11	Rational Choice (Day 2)	Ch. 2.4 - 2.7	–
3	Sep 16	Choice Exp & Behavioral Choice (Day 1)	Ch. 3.1 - 3.4	HW #2
	Sep 18	Behavioral Choice (Day 2)	Ch. 3.5 - 3.6 & Papers	–
4	Sep 23	Probability Theory (Day 1)	Ch. 4.1 - 4.4	HW #3
	Sep 25	Probability Theory (Day 2)	Ch. 4.5 - 4.7	–
5	Sep 30	Prob Exps & Perception of Probability (Day 1)	Ch. 5.1 - 5.3	HW #4
	Oct 2	Perception of Probability (Day 2)	Ch. 5.4 - 5.8	–
6	Oct 7	Midterm 1	–	Review 1
	Oct 9	Risk and EU Theory (Day 1)	Ch. 6.1 - 6.6	–
7	Oct 14	Risk & EU / Behavioral Decisions	7.1 - 7.3	–
	Oct 16	Behavioral Decisions (Day 2)	Ch. 7.4 - 7.5, 7.7	–
8	Oct 21	Discounted Utility (Day 1)	Ch. 8.1 - 8.3	HW #5
	Oct 23	Discounted Utility (Day 2)	Ch. 8.3 - 8.4	–
9	Oct 28	Intertemporal Choice (Day 1)	Ch. 9.1 - 9.2	HW #6
	Oct 30	Intertemporal Choice (Day 2)	Ch. 9.3 - 9.6	–
10	Nov 4	Game Experiments	–	HW #7
	Nov 6	Analytical Game Theory (Day 1)	Ch. 10.1 - 10.2	–

Table 1 continued from previous page

11	Nov 11	Analytical Game Theory (Day 2)	Ch. 10.3 - 10.5	HW #8
	Nov 13	Behavioral Game Theory (Day 1)	Ch. 11.1 - 11.3	–
12	Nov 18	Behavioral Game Theory (Day 2)	Ch. 11.4 - 11.5	Review 2
	Nov 20	Midterm 2	–	–
	Nov 25 - 29	THANKSGIVING BREAK - NO CLASS	–	–
13	Dec 2	How to Present a Paper (Evolutionary)	–	–
	Dec 4	Presentations (Day 1)	Research Papers	–
14	Dec 9	Presentations (Day 2)	Research Papers	–
	Dec 11	Final Review	–	Packet
15	Dec 17	FINAL (2–4 PM)	–	–

Grading Policy:

- Homework (40%)
- Discussion (15%)
- Project (10%)
- Midterms (20%)
- Final (15%)

Grading Scale:

A		B			C			D	F
A	A-	B+	B	B-	C+	C	C-	D	F
100% - 94%	93.9% - 90%	89.9% - 87%	86.9% - 84%	83.9% - 80%	79.9% - 77%	76.9% - 74%	73.9% - 70%	69.9% - 60%	Less than 60%

Once grading is completely finished, grades may be adjusted according to a curve. Do not ask for regrades or grade changes. Unless there is a grading error, grades will remain unchanged.

Homework Assignments: There will typically be weekly homework assignments. Late homework will not be accepted. The lowest homework score will be dropped for each student.

Exams: A substantial portion of your grade will be based on two midterms and a final. *I do not give makeup exams except in the case of verified, unexpected emergencies.* If such an event occurs, verification will need to be submitted as soon as possible by both the student and the Dean of Students. The final will be administered during finals week according to the final exam schedule for the semester.

Exams will largely consist of free-response questions. Often you will be asked to create a graph and describe it. Other times questions will require you to make an economic argument or to make mathematical calculations. Generally there will be no multiple choice questions, as checking steps in your economic reasoning will be crucial for success.

Project: At the end of this course, we will spend 2 days presenting the peer-reviewed research of other academics. Prior to Thanksgiving break, I will be distributing an inexhaustive list of possible research papers to read and report on. You may choose one of these to read and present on, or you may search for yourself to find something that better fits your interests. If you search for an article yourself, please let me know what you are considering to read.

The point of these presentations is to familiarize yourself with the dominant form of economic research, peer-reviewed papers. From a presentation we should be able to understand the question the researchers are interested in asking, related literature, how the researchers attempted to answer the question, the results of their investigation, and the answer to the question they initially asked. Presentations will be made using Google slides or similar presentation software.

Discussion: There will typically be weekly discussion topic held in class. We will discuss a variety of topics including classroom experiments, news articles, and academic research. If you have something you would like to discuss, feel free to email me and I can see about adding it to the list of discussion topics.

Extra Credit: Throughout the semester you *may* be given the opportunity to earn extra credit. The nature of the extra credit and its point value will be discussed in class.

Important Dates:

Midterm #1	October 7 th
Midterm #2	November 20 th
Final Exam	December 17 th

Student Responsibilities:

Attendance Threshold: If you miss 20% or more of our class meetings, you will fail the class, regardless of the excused/unexcused status of the absences. I will try to make use of hybrid learning technologies and other mechanisms to accommodate students who are in COVID isolation so that they do not accumulate extra absences once they are well enough to participate remotely.

Academic Integrity: I expect you to exhibit academic integrity at all times in this class.

Academic integrity is a positive virtue in itself, not merely a prohibition against cheating or plagiarism. It demands a form of self-respect, namely respect for yourself as a capable, independent, and creative thinker. Academic integrity also demands respect for others: reciprocal respect for your peers and instructors as capable, independent, and creative thinkers in their own right. In particular, when you say something to your peers in an intellectual setting, you are inviting them to think with you about your idea; because you are asking for the attention and effort of your peers, you owe them your best effort, and they owe you their best effort back, whether that takes the form of a question, a criticism, or an extension of an idea.

Academic integrity also entails integrity of authorship; you must submit only work that is wholly your own, from start to finish in the writing process and from the first sentence to the last of the finished assignment. In the case of group work, the work must be a fair representation of your collaboration. I encourage you to talk with me and with other students as you develop your ideas and arguments, but the writing you submit should be completely your own (or your group's own). In the course of your writing, it is fine, indeed often desirable, to use/develop/refine an idea from another person, but only with appropriate attribution—don't take the ideas or words of another and offer them up in a way that suggests they are wholly your own, whether they come from a written source or from another student.

In my experience, lapses of academic integrity occur most often when a student is under a great deal of academic and personal stress. Please come to me—if possible before an assignment is due—and explain what's going on. Remember that you haven't done anything wrong until you turn in a piece of writing that is not wholly a product of your own effort, so come talk to me if you aren't sure whether what you're doing is okay—I will respect you for that courage.

At a minimum, an assignment with plagiarized content will be scored zero and an adequate, non-plagiarized version will need to be submitted (still for no credit). All cases of suspected academic misconduct will be reported to the dean of students.

Interpersonal Respect and Forms of Address: We are not just students and instructors. A learning community requires intellectual respect and academic integrity, but these are hard to manifest if we don't cultivate basic respect for each other as human beings with distinct lived experiences. Be nice. (This doesn't mean "don't criticize," though it does mean we should criticize ideas rather than people, and frame critique in a way that respects the originator of an idea.) Look out for each other and help each other to find voice in the classroom and during other activities, like game labs. Respect each other's personal lives and choices as personal; don't bring the personal lives of others into the classroom. Respect each other's preferences with respect to forms of address by paying attention to and making an effort to use each individual person's preferred name and forms of address (e.g., learn how to pronounce each other's names and respect pronoun preferences).

It's okay if we make mistakes from time to time, but the conscious cultivation of mutual respect will let us respond generously to each other's missteps and maintain a high level of intellectual engagement.

AI-Generated Text: You may not use AI tools to generate text for assignments you turn in, UNLESS OTHERWISE INSTRUCTED. It can sometimes be useful to read relevant but somewhat randomly selected material about the ideas you want to bring together in your writing to get started. Rather than using AI-generated text as a starting point, you should seek out scholarly and journalistic articles using JStor, Google Scholar, or other services provided through the library. Submitting assignments that include AI-generated text constitutes academic dishonesty because you are submitting words and ideas that are not your own without proper attribution to the original source, and depending on the tool used, you may not even in principle be able to trace an adequate line of attribution. In our class, AI-generated text is not a legitimate academic source. If you conduct a project that actually studies AI text generation as a subject I will make exceptions to this policy as needed, but talk with me first.

Recording Policy: Students may not record or distribute a record of any portion of class, whether it be a lecture, classroom discussion, game lab meeting, or part of a video chat/Zoom session. Violation of this policy will result in failing the class. The privacy of our meeting and discussion forums is essential to cultivating trust and allowing us all to take intellectual risks without undue costs. If we have to go online because of COVID scenarios, I may record my own contributions or lectures and distribute them within the class. In such a scenario those recordings may not be shared beyond the class.

Note on Course Content: From time to time you may be uncomfortable with a topic we discuss in class. We will work together to make the class environment as supportive as possible so that we can sustain our inquiries through discomfort. I want to note in advance that throughout the term we will occasionally discuss works that depict or describe violence, political oppression, physical and emotional trauma and grief, physical and mental illness, and other topics that may be disproportionately difficult for some students to engage with given their own background or personal experiences. Please look over and, if necessary, research the reading list in advance with an eye to your own self-care needs. If you have serious concerns about your capacity to engage intellectually with one or more works over the course of the term, please let me know, and we will work to find an appropriate mode and level of engagement for you in relation to a specific assigned work that has raised a significant concern for you.

Accommodations

Religious Observances: In accordance with Washington State Law and Whitman College's Religious Accommodations Policy, I will provide reasonable accommodations for all students who, because of religious observances, may have conflicts with scheduled exams, assignments, or required attendance in class. Please review the course schedule at the beginning of the semester to determine any such potential conflicts and send me an email by the end of the second week of class so that I can take note of your need for religious accommodations. If you believe that I have failed to abide by this policy, here is a link to the Grievance Policy at Whitman College where you can pursue this matter. Compliance with this policy may also in some cases confer additional accommodation for class absences.

Students with Disabilities: If you are a student with a disability who may benefit from contextually appropriate accommodations in this course, please meet with Laura A. Cummings, assistant director, disability support services, for assistance in developing a plan to address your academic needs. All information about disabilities is considered private; if I receive notification that you are eligible to receive accommodation, I will provide it in as discrete a manner as possible given other course policies. There will be no timed writing exercises or exams that impact your grade in this class. Academic support services may occasionally grant approval to record class interactions on a case-by-case basis. This is the only basis for an exception to the Recording policy above, and recordings made in such circumstances may not be distributed to or shared

with anyone, even other students in the class.

How to Succeed:

1. Start homework and projects earlier rather than later.
2. If you are finding the material difficult, please seek help from either your classmates or me. The material in this class builds on itself, so getting lost early can be detrimental to understanding later material.
3. Feel free to work on assignments together. Not only will it help with your understanding, but you will form bonds with classmates that will be extremely valuable as you continue on at Whitman.
4. While reading the news, attempt to apply what we have learned in class. This helps take what we do in class out into the broader world.

Excused Absence: The Dean of Students may authorize absences from classes in cases of exigency (injury, illness, or family emergencies). In the event that such a verifiable emergency requires you to miss a scheduled exam, I expect you to contact me directly, as soon as possible.

Mental Health: The school year can always be a stressful time, even outside of academics. If you have trouble with a course or are anxious about anything in general, please feel free to contact me. I am here to help or can get you in contact with someone who can help.

Academic Integrity: Cheating and plagiarizing are **NOT** tolerated in my class. Cheating will result in a failing grade for that assignment and violations will be reported to the Dean of Students. The maximum penalty for academic dishonesty at Whitman College is permanent expulsion.

As stated above, you are encouraged to work together on homework assignments. However, I should be able to tell your work apart from that of another. If any work looks too similar, both assignments will receive a penalty.