
EC 336

Behavioral and Experimental Economics

Spring 2022
M,W,F 1:00 – 1:50 PM
HSSC S3321
Instructor: Logan Lee
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Office: HSSC – S3348
Office Hours: Monday: 3:00 - 4:00 PM
Tuesday: 8:00 – 9:00 AM
Wednesday: 2:00 - 3:00 PM
Friday: 10:00-11:00 AM
and by appointment

Overview

Behavioral economics explores the ways in which individuals make decisions with a particular focus on deviations from the predictions of classical rational actor theory. Economic experiments are often used in this context to offer insight into decision-making behavior in a controlled environment. In this course, we will consider some of the key insights of behavioral economics by experiencing economic experiments. We will also discuss best practices in designing and implementing economic experiments. As a part of this process, students will get firsthand experience designing economic experiments to test behavioral predictions.

Required Text Book

There is no required textbook for this class. Readings will be made available either through PWeb or via e-reserves.

Evaluation

Grades in this class will be based on a pre-analysis plan and IRB application, and experiment of your own design, class participation, reading quizzes, and a final exam. Grades will be weighted as follows:

- 15% - Pre-Analysis Plan Components and IRB Application
- 25% - Final Pre-Analysis Plan and Experiment
- 15% - Class Participation
- 25% - Reading Quizzes
- 20% - Final Exam

Experiments

Throughout the course, you will be asked to participate in economics experiments. Thanks to funding from the economics department, many of these experiments will give you the opportunity to earn real money. To minimize accounting, money earned in experiments will be paid out in poker chips, which can be redeemed for cash at the end of the course.

Important Dates

January 24th

First Day of Class

February 11th

Experiment Topic Due

February 18th

No Class – Project Day

February 25th

Pre-Analysis Plan Experiment Design

March 11th

IRB Proposal Submitted

March 21st – April 1st

Spring Break

April 8th

Pre-Analysis Plan First Draft Due

April 22nd

Final Draft of Pre-Analysis Plan Due

May 2nd

Pilot Experiment Due

May 18th – 9:00-12:00

Final Exam

Time Expectations

Students should expect to spend 2 hours reading, working problems, studying, and writing their research paper outside of class for each hour of class time.

Participation Points

Each time you attend class, you will earn participation points. You will also earn points for asking questions, actively contributing to class discussions, and for participating in experiments.

Reading Quizzes

Reading quizzes will be given at the beginning of class and will be designed to ensure your understanding of the readings assigned for that class period. The quizzes will be comprised of a few short answer questions and will cover key topics in the current readings. They may also ask you to connect the current readings to topics and readings we have previously covered. After each quiz, a detailed key will be made available. In general, quiz questions will be easier than final exam questions as quizzes will be testing your knowledge of materials you have read, but not discussed. Only writing utensils are allowed during reading quizzes.

Exams

There will be one exam in this class. The exam will contain a series of short answer questions. Students are responsible for all material covered in class and in the assigned readings. The exam will be fully open book. That is, you will be allowed to use whatever physical and digital resources you want to complete your exam. You are not allowed to talk to other people during the exam.

Pre-Analysis Plan, IRB Application, and Experiment

During the course, you are expected to come up with an original experiment that can be used to test a human behavior. Specifically, you will develop a pre-analysis plan that details the experiment itself, recruitment of subjects, and how you intend to analyze the results. You will also complete an application to secure approval of your experiment from the Institutional Review Board (IRB). IRB application forms can be found at <https://www.grinnell.edu/about/committees/institutional-review/resources>. Finally, you will create a version of your experiment that can be piloted on your classmates during the last week of the course.

Students with Disabilities

I strive to create a fully inclusive classroom (digital or otherwise); thus, I welcome individual students to approach me about distinctive learning needs. In particular, I encourage students with disabilities to have a conversation with me and disclose how our classroom or course activities could impact the disability and what accommodations would be essential to you. You will also need to have a conversation about and provide documentation of your disability to the Coordinator for Disability Resources, John Hirschman, located on the 3rd floor of Goodnow Hall (x3089).

Academic Honesty

Grinnell College's Academic Honesty Policy is located in the Student Handbook available online at: <http://catalog.grinnell.edu/content.php?catoid=12&navoid=2537>. It is the College's expectation that students be aware of and meet the expectations expressed in this policy. If you have questions about what level of collaboration is acceptable on a particular assignment or about how a particular assignment relates to the College's policy, I am happy to discuss the assignment with you in advance of the assignment's due date.

Religious Holidays

I encourage students who plan to observe holy days that coincide with class meetings or assignment due dates to consult with me in the first two weeks of classes so that we may reach a mutual understanding of how you can meet the terms of your religious observance and also the requirements for this course.

Tentative Schedule

Below is a schedule of topics and readings that we will cover. This schedule is subject to change given the pace of the class. All changes will be announced in class.

Dates	Topic	Readings
January 24-28	Introduction and Syllabus, Overview of Behavioral Economics,	Mullainathan and Thaler (2000);
January 31-February 4	Overview of Experimental Economics, Pre-Analysis Plans, Experiment Ethics	Croson (2002); Duflo et al. (2020) – skip FA
February 9-11	Bounded Rationality	Conlisk (1996); Harstad and Selten (2013);
February 14-18	Risk and Loss Aversion	Holt and Laury (2002); *Ariely (2008) – Chapter 8;
February 21-25	Loss Aversion, Discount Rates,	*Kahneman (2011) – Chapter 28,
February 28-March 4	Bounded Willpower, IRB Forms,	Buccioli et al. (2010); *Ariely (2008) – Chapter 7; Krawczyk (2019)
March 7-11	Social and Consumer Preferences, Other Regarding Preferences	*Handbook of Experimental Economics - Chapter 4
March 14-18	Social and Consumer Preferences, Other Regarding Preferences	*Handbook of Experimental Economics - Chapter 4; *Ariely (2008) – Chapter 4
March 21-April 1	Spring Break	None
April 4-8	Fairness and Reciprocity, Charity	*Handbook of Experimental Economics - Chapter 2
April 11-15	Charity, Nudges	*Thaler and Sunstein (2009) - Chapters 2 and 3
April 18-22	Nudges	Dayan and Bar-Hillel (2011); Kallbekken and Saelen (2019); Sunstein (2017)
April 25 and 29	Introduction to Qualtrics, Bias, Stress	*Kahneman (2011) – Chapters 11 and 15; Ariely et al. (2009)
May 2-6	Experiment Piloting	None
May 9-13	Experiment Piloting, Final Review	None

Papers marked with an * are available digitally at the Grinnell College Library