

Rational Fools? Debating Behavioral Economics - LECO 2250 - Spring 2016

Eugene Lang College of Liberal Arts
The New School

- Class time: Monday and Wednesday 1:50 - 3:30pm; Room 262, 65 West 11th Street
- Instructor: Noe Wiener
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- I'm available for meetings by appointment. Please use only your @newschool.edu account for contacting me.

Course description

Did economists fail to predict the financial crisis because of their inability to understand how humans really behave? From Freakonomics to recent Nobel Prizes, behavioral economists have claimed to make economics more relevant to policy. We will analyze some of the contributions to this literature, focusing in particular on methodology and some key theoretical debates about the concept of rationality. We will also explore alternative traditions in behavioral economics that start from the actual behavior of workers, investors, regulators and firms. Finally, we ask whether knowing about individual behavior is really all that important for understanding the recurrent patterns of capitalist economies.

This course introduces important debates in contemporary economic theory and policy through the lens of individual decision making. Along the way, we discuss the neoclassical view of human behavior and its methodological and psychological foundations. We also discuss critiques of this school (sociological, feminist, Marxist, . . .) and their relevance to behavioral economics. Ultimately, we will find ourselves grappling with one of the fundamental questions of all social sciences: are social phenomena best explained by individual behavior or social structure?

Prerequisites: Some familiarity with basic graphical and mathematical reasoning is helpful (e.g. graphs of a function, bivariate plots of data, basic algebra). I will make every attempt to introduce the material using verbal and graphical tools, even if some of the readings use symbolic mathematics. I will try to flag passages that require particularly careful reading, and others that may be skipped without missing the main points.

Important: This class approaches behavioral economics from a *transdisciplinary, critical and historical perspective*. We give a broader definition to behavioral economics than other courses. Much of what currently passes as “behavioral economics” will be exposed to fair but severe criticism. I encourage you to consider carefully whether this aligns with your interests.

Learning Outcomes

Students in this class will learn

- to compare theoretical perspectives on economic behavior, and to take their own well-argued position.
- to understand how different ideological and methodological commitments influence the theorizing of human behavior.
- to determine what constitute typical research questions in the different schools of thought.
- to think abstractly about complex processes, and express their thoughts coherently.

Behavioral economics is an exciting field, full of relevant and real-world research. However, it is also fraught with deep methodological and theoretical dilemmas and problems. It is therefore an *ideal training ground to sharpen your critical reading, thinking and writing skills*.

Assessments and grades

My goal is for all students to excel in this class, so I do not grade on the curve. However, students must earn their grades through active and engaged learning. The grade for the class is based on three elements.

Class participation (10%)

This class is a seminar, not a lecture series. Active and thoughtful participation in class discussions is essential to your success. This includes in particular showing up to the class *prepared* to discuss the assigned readings, and spending some time after each class *reflecting* on what you have learned. We will take turns writing a one page summary of the class discussion, which will be shared with the rest of the class via Canvas (in the form of a new discussion thread). The summary is due by the evening of the next day.

Seminar presentation (15%)

For each week, a group of two students will give a brief (15-20 minutes) presentation on a selected reading. A successful presentation provides some context to the reading (i.e. who is the author responding to?), identifies the main questions and problems addressed in the reading, and gives a brief summary of the main argument and results. Finally, you should provide some starting points for a discussion. Does the evidence seem convincing? What are the explicit or tacit assumptions and do they seem sensible? Does the research seem relevant to you and why? The presentation is graded on a check, check-plus, check-minus standard.

Brief Reflection Paper on Consumption Behavior (8%) [due Feb 29]

For this assignment, you will select one store, cafe, restaurant, ... that is outside your “usual” sphere of consumption. This may be a corner store in your neighborhood that you usually ignore because it is “seedy”. Or it might be a chic cafe that you think is “not for you”. The point is to choose a location outside your comfort zone that clashes with your perceived standards. Write up your observations about yourself and your environment, using some of the concepts seen in class. If you made a purchase, how did you go about making that decision? What did you observe about your own taste and that of others? The assignment is graded on a check, check-plus, check-minus standard. The paper should be at most 3 pages, 12-point font, double spaced.

Group project on “Nudges” and Policy (7%) [on Apr 13]

The possible policy implications of behavioral economics will be discussed throughout the semester. In addition, we will have one class devoted to student presentations of different policy initiatives related to behavioral economic research. Groups of five students will be presenting on a particular policy for 15-20 minutes in class. Each group member should talk. A good presentation will give a brief summary of the problem that the policy aims to address, the (proposed or actual) implementation of the policy, as well as any evidence about its effectiveness. In addition, a good presentation will also take a broader and more critical view on the policy. Some questions you might ask include: how is the social problem framed by the proponents of the policy? Are there alternative ways of viewing the problem and what kind of policy would they imply? By what measure should the success of a policy in this field be judged? I will give some suggestions of where to find candidates for case studies, but you are welcome to bring in your own ideas. Your participation is graded on a check, check-plus, check-minus standard.

Essay 1 (25%) [due Mar 18]

A first essay is due after we have gained an overview of standard neoclassical model of behavior, as well as some extensions and criticisms. In this essay, you will be asked to present and critically evaluate the standard model of decision making under uncertainty, drawing on the literature from the syllabus so far (and referencing it appropriately). It helps to structure your essay around a core concept. For instance, you could start with the notion of “rationality”. How is rational behavior defined in the standard (neoclassical) model of behavior? Think of a concrete example if it helps you (e.g. the decision of how much and where to work; the decision to save and in what form) and describe the decision problem in terms of the concepts we have discussed in class. How has this notion of rationality been expanded and criticized? Are there alternative definitions? Which critiques (if any) do you find most convincing? The paper

will be evaluated on the basis of several factors, including clarity and structure of argument, evidence of critical thinking and understanding of the material, as well as writing style. The grade is on a letter scale and accompanied by specific comments. The essay should be at most 5 pages, 12-point font, double spaced.

Essay 2 (35%) [due May 16]

The second essay is due at the end of the semester. It allows you to investigate further one of the topics discussed in class. You may, for example, discuss the application of behavioral science to development policies. A good essay would show how different theories of decision making have different implications for policy-making. Depending on your interest, you could also conduct a simple behavioral experiment on an economic question (I can provide some pointers to the relevant literature). You are strongly encouraged to meet with me to discuss your paper ideas. The same evaluation criteria as in the first essay apply here. Specific assessment rubrics for the papers are available on Canvas. Each student gives an informal *5 minutes presentation* of their paper in the last two sessions of the course. The essay should be at most 10 pages, 12-point font, double spaced.

Class Schedule

The following schedule is subject to change. Watch out for emails and Canvas announcements about changes to the reading list. Starred readings (**) are optional. Most readings can be found on Canvas Course Reserves.

Week 1: Introduction. Perspectives on Behavioral Economics. [Jan 25, 27]

In the first sessions, we will get to know each other and go over the structure and goals of this class. Some of the questions we will discuss include: What might be the meaning of “behavioral economics”? What types of behavior are we talking about? How does this approach fit into the landscape of the social sciences more broadly? How have these questions been addressed by early economists, as well as by the current mainstream?

- Simon, H. A. & Bartel, R. D. (1986). The Failure of Armchair Economics. *Challenge* (29:5), pp. 18-25
- Smith, A. [1789] (1904). *An Inquiry into the Nature and Causes of the Wealth of Nations*. Edwin Cannan (ed.). *Library of Economics and Liberty*. 13 January 2016. Volume I, book I, chapters 1-2. <http://www.econlib.org/library/Smith/smWN1.html>

Week 2: Mythical Creature: Homo Oeconomicus [Feb 1, 3]

In this week, we will begin to explore the “standard” neoclassical theory of behavior. This may be a review for some of you, whereas for others it is completely new material. In any case, we will emphasize very different aspects of the theory: What assumptions are made about the behavior of economic agents, and about their interaction with the environment? What does it mean to “explain” a specific behavior this way?

- Heilbroner, R. (1999). The Worldly Philosophers. Chapter 7: The Victorian World and the Underworld of Economics . [Excerpts]
- Goodwin et al. Microeconomics in Context. Chapter 8: Production Decisions and Chapter 10: Consumption and the Consumer Society.
- Friedman, M. (1953). The methodology of positive economics, in: Essays in Positive Economics. University of Chicago Press, pp. 3-43.
- ** Spang, R. (2016). Thing theory: contemplating the culture of consumption. Financial Times, January 29.
- ** Watson, J. (1913). Psychology as the Behaviorist Views it. Psychological Review, 20, 158-177 <http://psychclassics.asu.edu/Watson/views.htm>

Week 3: Looking under the hood of homo oeconomicus [Feb 8, 10]

As we look closer at the standard model of choice, we find that there are a number of assumptions that might be problematic. We’ll take a first look at some experimental evidence on the importance of context.

- Cartwright, E. (2011). Behavioral Economics. Chapter 2: Simple heuristics for complex choices. pp. 27-84.
- Sen, A. (1977). Rational Fools: A Critique of the Behavioral Foundations of Economic Theory. Philosophy and Public Affairs (6:4), pp. 317-344.
- Kramer, L. (2014). Dilbert Does Behavioral Economics. Psychology Today Blog <https://www.psychologytoday.com/blog/markets-in-mind/201401/dilbert-does-behavioral-economics>
- Thaler, R. (2015). Unless You Are Spock, Irrelevant Things Matter in Economic Behavior. New York Times, May 8 <http://nyti.ms/1JwcjJw>
- ** Schwartz, B. (2005). The Paradox Of Choice. TED Talk. http://www.ted.com/talks/barry_schwartz_on_the_paradox_of_choice. See also http://www.ted.com/talks/sheena_iyengar_on_the_art_of_choosing

Feb 15: President’s Day - No class

Week 4: How do we compute? [Feb 17, 22]

In this week’s readings, we explore attempts to characterize the *processes* by which actual humans make decisions, leading to the notion of “bounded rationality”.

- Simon, A. (1997). *An Empirically Based Microeconomics*. Raffaele Mattioli Foundation, Cambridge University Press. First lecture: Rationality in Decision Making.
- Simon, H. A. (1992). What is an “explanation” of behavior?. *Psychological Science*, 3(3), pp. 150-161.
- Simon, H. A. (1975). Functional Equivalence of Problem Solving Skills. *Cognitive Psychology* (7), 268-288.
- ** Kasparov, G. (2010). *The Chess Master and the Computer*. New York Review of Books. <http://www.nybooks.com/articles/2010/02/11/the-chess-master-and-the-computer/>
- ** Abraham, F. D., Abraham, R. H. & Shaw, C. D. (1991) Basic principles of dynamical systems, in: Levine, R. & Fitzgerald, H. (eds.). *Analysis of Dynamic Psychological Systems*, Plenum.

Week 5: Culture, socialization and social position [Feb 24, 29]

This week, we read about a different perspective on the interplay between social environment and our behavior. In considering the social nature of choice, we begin to break out of the narrow framework imposed by the standard theory.

- Bourdieu, P. (1980). *The Logic of Practice*. Chapter 3: Structures, Habitus, Practice, pp. 52-65.
- Bourdieu, P. (1998). *Practical Reason*. Stanford University Press. Chapter 1: Social space and symbolic space, pp. 1-13.
- Heilbroner, R. (1999). *The Worldly Philosophers*. Chapter 8: The Savage Society of Thorstein Veblen.
- Carfagna, L. B., Dubois, E. A., Fitzmaurice, C., Ouimette, M. Y., Schor, J. B., Willis, M., & Laidley, T. (2014). An emerging eco-habitus: The reconfiguration of high cultural capital practices among ethical consumers. *Journal of Consumer Culture*, 14(2), 158-178.
- ** Bourdieu, P. (1986) The forms of capital. In J. Richardson (Ed.) *Handbook of Theory and Research for the Sociology of Education* (New York, Greenwood), 241-258. <https://www.marxists.org/reference/subject/philosophy/works/fr/bourdieu-forms-capital.htm>
- ** Wacquant, L. “Pierre Bourdieu,” in Rob Stone (ed.) *Key Sociological Thinkers*, 2006, London: MacMillan, pp. 261-77 (web)
- ** You can also check out the Journal “Poetics” for applications of Bourdieu’s framework

Week 6: Risky Decisions [Mar 2, 7]

This week’s readings look at some basic models of decision-making under uncertainty. How do we make decisions when some relevant information is unknown? How do we understand risks?

- Cartwright, E. (2011). Behavioral Economics. Chapter 3: Choice with risk. pp. 85-134.
- Resnik, M. (1987). Choices. An Introduction to Decision Theory. University of Minnesota Press. [chapter 3, but you may be interested in browsing through the first 4 chapters]
- ** Desmond, M. (2006). Becoming a Firefighter. *Ethnography* (7:4), 387-421.
- ** Saxe, R. (2005). How we read each other's minds. TED Talk. http://www.ted.com/talks/rebecca_saxe_how_brains_make_moral_judgments

Free event: If you can, please attend the free event “From Social Science to Social Policy - Public Voices 8” at the New School University Center, 63 Fifth Avenue, Room U100, Thursday, March 3 from 6 to 8 PM. Two famous behavioral economists, Cass Sunstein and Daniel Kahneman, are presenting their work. Register at <https://www.eventbrite.com/e/from-social-science-to-social-policy-public-voices-8-tickets-19099241345>. If you are unable to attend the talk in person, you need to watch the video of the event (<http://www.centerforpublicscholarship.org>) as we will be discussing it in class.**

Week 7: Biases and Prospect Theory [Mar 9, 14]

In this week, we will look at systematic biases in risky decisions. We also look at one of the theories that have been put forward to salvage the basic framework.

- Cartwright, E. (2011). Behavioral Economics. Chapter 3: Choice with risk. pp. 85-134.
- Dyson, F. (2011). How to Dispel Your Illusions. Review of Thinking, Fast and Slow by Daniel Kahneman. New York Review of Books. <http://www.nybooks.com/articles/archives/2011/dec/22/how-dispel-your-illusions/>
- Kahneman, D. (2011). Thinking, Fast and Slow. Penguin Book. Chapter 25: Bernoulli's error. Chapter 26: Prospect theory.
- Tversky, A. & Kahneman, D. (1974). Judgment under Uncertainty: Heuristics and Biases. *Science* (185:4157), pp. 1124-1131.
- Tenenbaum, J. B., Kemp, C., Griffiths, T. L., & Goodman, N. D. (2011). How to grow a mind: Statistics, structure, and abstraction. *science*, 331(6022), 1279-1285.
- ** Meltzoff, A. et al. (2009) Foundations for a New Science of Learning. *Science* (325), pp. 284-288.
- ** Conlisk, J. (1996). Why Bounded Rationality? *Journal of Economic Literature* (34:2), pp. 669-700
- ** Camerer, C. & Loewenstein, G. (eds.) (2004). Advances in behavioral economics. Chapter 1: Behavioral Economics: Past, Present, Future. Russell Sage Foundation.

Week 8: How to deal with real-world uncertainty [Mar 16, 28]

How we form expectations about the future in an uncertain environment has serious economic implications. Can we give any advice on how to improve decision-making in these situations?

- Gigerenzer, G. (2014). Risk savvy. How to make good decisions. Viking. Chapters 1 (Are people stupid?) and 5 (Mind your money)
- Keynes, J. M. [1936] (2003). The General Theory of Employment, Interest and Money. Chapter 5: Expectations as Determining Output and Employment. Chapter 12: The State of Long-Term Expectation. <http://www.gutenberg.net.au/ebooks03/0300071h/0-index.html>
- Bennis, W. M., & Pachur, T. (2006). Fast and frugal heuristics in sports. *Psychology of sport and exercise*, 7(6), 611-629.
- ** Gigerenzer, G. (in press). Towards a rational theory of heuristics. In R. Frantz & L. Marsh (Eds.), *Minds, models, and milieux: Commemorating the centennial of the birth of Herbert Simon*. Basingstoke, UK: Palgrave Macmillan.
- ** Heilbroner, R. (1999). *The Worldly Philosophers*. Chapter 9.
- ** World Science Festival Panel with Amir Aczel, Gerd Gigerenzer, Leonard Mlodinow, Josh Tenenbaum (2011). *The Illusion of Certainty: Risk, Probability, and Chance*. Youtube Clip. <https://www.youtube.com/watch?v=BcMuYhoL38A>

Spring break March 21 - 27

Week 9: Behavioral economics and poverty [Mar 30, Apr 4]

In this week, we will go back in history to find how the “moral philosophers” (the social scientists of the past) studied social phenomena and the interventions they proposed. In particular, we look at Malthus and his discussion of population growth. We contrast this with current research into the behavioral effects of poverty.

- Malthus, T. [1798] (1998). *An Essay on the Principle of Population*. Electronic Scholarly Publishing Project. Chapters 1 & 2. <http://www.esp.org/books/malthus/population/malthus.pdf>
- Haushofer, J. & Fehr, E. (2014). On the psychology of poverty. *Science* (344:6186). <http://www.econ.uzh.ch/dam/jcr:fffff-9758-127f-fff-fff8a8d84d0/PsychologyPovertyPaper.pdf>
- Soss, J., Fording, R. C., & Schram, S. (2011). Disciplining the poor: Neoliberal paternalism and the persistent power of race. University of Chicago Press. Chapter 2: The Rise of Neoliberal Paternalism.
- Secombe, K., James, D. & Battle Walters, K. (1998). “They Think You Ain’t Much of Nothing”. *The Social Construction of the Welfare Mother*. *Journal of Marriage and Family* (60:4), pp. 849-865.

- ** Peck, J. and Theodore, N. (2000), ‘Work first’. Workfare and the regulation of contingent labour markets. *Cambridge Journal of Economics* (24), pp. 119-138.

Week 10: To Nudge or Not to Nudge? [Apr 6, 11]

The rise of behavioral economics has gone hand in hand with the “nudging” approach to policy-making. How is this approach justified? How does it compare to other approaches to politics and policy-making? How are different groups affected by this type of policy?

- Camerer, C., Issacharoff, S., Loewenstein, G., O’Donoghue, T., & Rabin, M.. (2003). Regulation for Conservatives: Behavioral Economics and the Case for “Asymmetric Paternalism”. *University of Pennsylvania Law Review* (151:3), pp. 1211-1254. <http://people.hss.caltech.edu/~camerer/paternPLR.pdf>
- Reddy, S. (2012). Randomise This! On Poor Economics. *Review of Agrarian Studies* (2:2). http://www.ras.org.in/randomise_this_on_poor_economics
- World Bank: World Development Report 2015: Mind, Society, and Behavior. Chapter 1: Overview. Human decision making and development policy. <http://www.worldbank.org/en/publication/wdr2015>
- Waldron, J. (2014). It’s All for Your Own Good (Review of *Why Nudge? The Politics of Libertarian Paternalism* by Cass R. Sunstein). *The New York Review of Books* (October 9).
- NYTimes (2016). Nudges Aren’t Enough for Problems Like Retirement Savings. Feb 2. <http://nyti.ms/20TH1Uv>
- ** <https://www.harding-center.mpg.de/en/health-information/fact-boxes>
- ** World Bank: Policies Should Match Behavior. Youtube Clip. <https://www.youtube.com/watch?v=Nh8065i3Xx4>

Week 11: Can you resist the Marshmallow? The Value of Time and Environmental Risks [Apr 13, 18]

The topic of this week is the importance of time in decision making. How do people decide between doing something today or tomorrow? This question has particular relevance for policy choices regarding climate change. In discussing these issues, we will also get to talk about decision-making for others (e.g. future generations).

- Jaeger, C.C., Schellnhuber, H.J., Brovkin, V. (2008). Stern’s review and Adam’s fallacy. *Climatic Change* (89:3-4), 207-218. <https://www.pik-potsdam.de/members/cjaeger/publications/2010-2000-1/stern-s-review.pdf>

- Cartwright, E. (2011). Behavioral Economics. Chapter 4: Choosing when to act.
- Foley, D. (2007). The economic fundamentals of global warming. Santa Fe Institute Working Paper. 2007-12-044. <http://www.santafe.edu/media/workingpapers/07-12-044.pdf>
- ** Engber, D. (2016). Everything Is Crumbling. Slate Cover Story. March 6. http://www.slate.com/articles/health_and_science/cover_story/2016/03/ego_depletion_an_influential_theory_in_psychology_may_have_just_been_debunked.html
- ** Allcott, H. (2011). Social norms and energy conservation. Journal of Public Economics, 95(9), 1082-1095.

Week 12: Social behavior and the emergence of institutions [Apr 20, 25]

One of the key concerns of economics is to explain the emergence and persistence of economic institutions. This week, we will look at how people making independent decisions can coordinate their behavior to form such institutions.

- Smith, A. [1789] (1904). An Inquiry into the Nature and Causes of the Wealth of Nations. Edwin Cannan (ed.). Library of Economics and Liberty. 13 January 2016. Volume I, book I, chapters 3-4. <http://www.econlib.org/library/Smith/smWN1.html>
- Elster, W. et al. (2015). The Microeconomics of Complex Economies. Evolutionary, Institutional, Neoclassical, and Complexity Perspectives. Elsevier. Chapters 2 & 3.
- Camerer, C. F., & Fehr, E. (2006). When does "economic man" dominate social behavior?. Science, 311(5757), 47-52. <http://people.hss.caltech.edu/~camerer/ScienceInteraction06.pdf>
- Thaler, R. & Sunstein, C. (2008). Nudge: improving decisions about health, wealth, and happiness. Yale University Press. Chapter 3: Following the Herd.
- Bond et al. (2012), A 61-million-person experiment in social influence and political mobilization, Nature (489:7415) <http://www.nature.com/nature/journal/v489/n7415/full/nature11421.html>
- ** NYTimes (2016). Major Malfunction: Revisiting Challenger. Video. <http://nyti.ms/1pKyDWi>

Week 13: Fairness and effort [Apr 27, May 2]

We have seen already that people care about how outcomes affect others. This week we will discuss how our concern for our *relative* position to others, our sense of fairness, affects behavior. We will also consider how social relations *between different groups* affect behavior.

- Bowles, S., Edwards, R. & Roosevelt, F. (2005). Understanding Capitalism: Competition, Command, and Change. Third Edition. Chapter 12: Wages and Work.
- Sen A. (1990). Gender and Cooperative Conflicts. In: Tinker, I. Persistent Inequalities. Oxford University Press.
- Simon, H. (1991). Organizations and markets. Journal of Economic Perspectives (5), pp. 25 - 44.
- Scharf, A. (2003). Scripted Talk. From “Welcome to McDonalds” to “Paper or plastic?” employers control the speech of service workers. Dollars & Sense. <http://www.dollarsandsense.org/archives/2003/0903scharf.html>
- ** Marglin, S. (1974). What Do Bosses Do?: The Origins and Functions of Hierarchy in Capitalist Production. Review of Radical Political Economics (6)
- ** Bowles, S., Gintis, H. and Osborne, M. (2001). The Determinants of Earnings: A Behavioral Approach. Journal of Economic Literature (39), pp. 1137–1176.
- ** Fehr, E. & Fischbacher, U. (2004). Third-party punishment and social norms. Evolution and Human Behavior (25), pp. 63-87
- Monty Python: Merchant Banker. Youtube Clip. <https://www.youtube.com/watch?v=UVRQK58jrbw>
- NPR (2016). Boston Program Teaches Women To Negotiate For Better Salaries. Audio. http://www.npr.org/2016/02/02/465246274/boston-program-teaches-women-to-negotiate-for-better-salaries?utm_medium=RSS&utm_campaign=business

Week 14: Crises [May 4, 9]

What role, if any, do behavioral factors play in financial crises (such as the 2008 global financial crisis whose repercussions are still with us today)? Can we prevent future crises by improving the decision making of borrowers, investors and regulators?

- Nichols, N. (1993). Efficient? Chaotic? What’s the New Finance? Harvard Business Review. <https://hbr.org/1993/03/efficient-chaotic-whats-the-new-finance>
- Neth, H., Meder, B., Kothiyal, A., & Gigerenzer, G. (2014). Homo heuristicus in the financial world: From risk management to managing uncertainty. Journal of Risk Management in Financial Institutions, 7(2), pp. 134-144.
- Arthur, W. (2014). All Systems will be Gamed: Exploitive Behavior in Economic and Social Systems. SFI Working Paper 2014-06-016. <http://tuvalu.santafe.edu/~wbarthur/Papers/All%20Systems%20Gamed.pdf>
- Farmer, D. & Foley, D. (2009). The economy needs agent-based modelling. Nature (460), pp. 685-686.

- Minsky, H.P. (1978). The Financial Instability Hypothesis. A restatement. Thames papers in political economy. http://digitalcommons.bard.edu/hm_archive/180
- Shaikh, A. (2010). The First Great Recession of the 21st Century. http://www.anwarshaikhecon.org/sortable/images/docs/publications/political_economy/2010/1FirstGreatDepressionofthe21stCentury.pdf
- ** Tuckett, D. (2011). How Investors Use Stories to Tame Uncertainty. Youtube Clip. <https://www.youtube.com/watch?v=q88-alrZ5NA>
- ** Ariely, D. & Frank, R. (2008). Trickle-down Luxury. Podcast. <http://tunein.com/radio/Arming-the-Donkeys-p505296/>
- ** Akerlof, G. A., & Yellen, J. L. (1987). Rational models of irrational behavior. The American economic review, 137-142.

Please complete the course evaluations!

Week 15: Student Presentations [May 11]

University resources

The following university resources may help you achieve academic success in this class:

- The University Learning Center (<http://www.newschool.edu/learning-center>), which offers tutoring in math and writing
- The University (and associated) Libraries: (<http://library.newschool.edu>)
- Labs and work spaces operated by the office of Academic Technology (AT). For locations of facilities and hours of operation, visit www.newschool.edu/at.
- Student Ombuds: The Student Ombuds office provides students assistance in resolving conflicts, disputes or complaints on an informal basis. This office is independent, neutral, and confidential. For further details see: <http://www.newschool.edu/intercultural-support/ombuds/>

Course Policies

Attendance and Lateness Policies

We will follow the Lang policies as outlined in the course catalogue. Essentially, you are expected to attend all classes in their entirety. **Do not use cell phones or eat during class. I also discourage the use of laptops.**

Late assignments

Please let me know **ahead of time** if there are exceptional circumstances, such as (documented) illness or family emergency, that prevent you from submitting an assignment on time. If you are unable to submit your work through Canvas, send it to me as an email or bring a hard copy to class. It is always better to submit your work on time, even if it's not yet in perfect shape. Late assignments result in a reduced grade.

Disability services

In keeping with the university's policy of providing equal access for students with disabilities, any student with a disability who needs academic accommodations is welcome to meet with me privately. All conversations will be kept confidential. Students requesting any accommodations will also need to contact Student Disability Service (SDS) (<http://www.newschool.edu/student-services/disability-services/>). SDS will conduct an intake and, if appropriate, the Director will provide an academic accommodation notification letter for you to bring to me. At that point, I will review the letter with you and discuss these accommodations in relation to this course.

Academic policies

We will follow all the general policies of the New School with regard to Academic Honesty and Integrity, Intellectual Property Rights, and the Free Exchange of Ideas. Students are responsible for understanding the University's policy on academic honesty and integrity and must make use of proper citations of sources for writing papers, creating, presenting, and performing their work, taking examinations, and doing research. It is the responsibility of students to learn the procedures specific to their discipline for correctly and appropriately differentiating their own work from that of others. The full text of the policy, including adjudication procedures, is found at: <http://www.newschool.edu/leadership/provost/policies/academic-honesty/>

Compromising your academic integrity may lead to serious consequences, including (but not limited to) one or more of the following: failure of the assignment, failure of the course, academic warning, disciplinary probation, suspension from the university, or dismissal from the university.