ECON 3703 - Behavioral Economics

Fall 2026 Syllabus, Section 01, CRN 43712,

Credit hours: 3

Instructor

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Public Instructor Information

Instructor Title:
Professor of Economics
Instructor Professional Qualifications:
Ph.D. (Economics), West Virginia University, 2003
M.A. (Political Science), University of Jyväskylä, Finland, 1997
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Course Description

3703. Behavioral Economics. Uses insights from economics and psychology to explain why normally rational people make poor choices in their lives, be it in terms of money, health, education or long-term happiness. This introductory course explores the sources of poor economic choices and examines ways to improve them. Prereq.: 2.5 GPA. 3 s.h.
[Description continues] We examine how social, cognitive, and emotional factors influence the economic decisions of individuals and institutions, as well as the consequences of those choices. We will also consider both the potential and the risks of public policies designed to create environments that encourage better individual decision-making. By the end of the course, you should understand how people make economic choices, recognize common mistakes in economic decision-making, and be able to think about ways those mistakes might be avoided or corrected.

Course Readings

Group	Title	Author	ISBN
Required	Thinking, Fast and Slow	Daniel Kahneman	

Full citation: Daniel Kahneman (2011): Thinking, Fast and Slow, *Princeton University Press*, Princeton, NJ.

The course readings are subject to change in the event of extenuating circumstances, research developments, current events, and/or to ensure better learning.

Schedule of Topics

Week of	Reading(s)	Proposed Topic	Due/To Prepare for Class
8/24	Kahneman (2011): Thinking, Fast and Slow 1.1. Two systems: the effortless vs. effortful system 1.2. Cognitive ease: illusions of remembering and of truth	. . See section titles	. . Read preceding section(s) before every class.
8/31	1.3. Creating causes and explanations, jumping to conclusions 1.4. How judgments happen substituting questions		

9/7	2.1. The law of small numbers and anchors 2.2. The science of availability, emotion and risk
9/14	2.3. Representativeness, less is more
9/21	2.4. Causes trump statistics
9/28	2.5. Regression to the mean, taming intuitive predictions
10/5	3.1. The illusion of understanding 3.2. The illusion of validity
10/12	3.3. Intuitions vs. formulas
10/19	3.4. Expert intuition: when can we trust it?
10/26	3.5. The inside and the outside view: the engine of capitalism
11/2	4.1. Prospect theory
11/9	4.2. The endowment effect
11/16	4.3. Loss aversion
11/23	4.4. Reversals, frames and reality
11/30	5. Putting it together: what does this all mean to individuals, public policies, and economics as a discipline?

The course schedule, policies, procedures, and assignments in this course are subject to change in the event of extenuating circumstances, by mutual agreement, and/or to ensure better learning.