

SOME BASIC BACKGROUND READING
SUMMER INSTITUTE IN BEHAVIORAL ECONOMICS

Dear Campers:

This letter includes suggested readings in preparation for the Summer Institute. If you are not familiar with the readings, we recommend that you read them through to prepare for camp; many of the talks will assume some familiarity with the basics and classics in behavioral economics.

We encourage you to formulate questions based on the readings. There will be numerous Q&A sessions. We think this would be a good way to get such discussions going, and we and your fellow campers and you yourselves would probably benefit from seeing what strikes you as important questions.

For Summer Camp, we suggest that you buy *Advances in Behavioral Economics* (edited by Camerer, Loewenstein, and Rabin).¹

Some of the references are in leading journals that you will find in your university's library system. Most of the readings can be found in bootleg versions on Google Scholar (click the link in the right-hand column for the bootleg copy).

Thanks,
David and Matthew

¹ We also recommend the following excellent texts: *The Winner's Curse* (by Thaler), *Choices, Values, and Frames* (edited by Kahneman and Tversky), *Choice Over Time* (edited by Elster and Loewenstein), *Advances in Behavioral Economics* (edited by Thaler), and *Quasi-Rational Economics* (by Thaler).

Suggested Readings

Camerer, Colin. "Individual Decision Making," in *The Handbook of Experimental Economics*, John H. Kagel and Alvin E. Roth Eds., Princeton: Princeton Univ. Press, 1995, Chapter 8, pp. 587-703.

Charness and Rabin. "Understanding Social Preferences with Simple Tests" (with Gary Charness), *Quarterly Journal of Economics* 117(3), August 2002, pp. 817-869.

Fehr and Schmidt. "A Theory of Fairness, Competition and Cooperation," *Quarterly Journal of Economics* 114, 1999, pp. 817-868. ABE

Kahneman, Daniel and Amos Tversky. "Introduction." In *Judgment Under Uncertainty: Heuristics and Biases*, Chapter 1, pp. 3-22.

Kahneman, Daniel and Amos Tversky. "Prospect Theory: An Analysis of Decision Under Risk," *Econometrica*, March 1979, 47(2), pp. 263-291.

Laibson, David. "Golden Eggs and Hyperbolic Discounting," *Quarterly Journal of Economics*, May 1997, 112(2), pp. 443-477. ABE

O'Donoghue, Ted and Matthew Rabin. "Doing It Now or Later," *American Economic Review*, March 1999, 89(1), pp. 103-124. ABE

Rabin, Matthew. "Risk Aversion and Expected-Utility Theory: A Calibration Theorem," *Econometrica*, September 2000, 68(5), pp. 1281-1292.

Thaler, Richard. "Mental Accounting Matters," *Journal of Behavioral Decision Making*, September 1999, 12(3), pp. 183-206. Reprinted in *Choices, Values, and Frames*. ABE

Tversky, Amos and Daniel Kahneman. "Rational Choice and the Framing of Decisions," *Choices, Values, and Frames*.