

br i q Summer School in Behavioral Economics

br i q, Bonn
July 10–14, 2017

Faculty: Roland Bénabou (Princeton University)
Armin Falk (br i q and University of Bonn)
Ernst Fehr (University of Zurich)
Botond Kőszegi (Central European University)
George Loewenstein (Carnegie Mellon University)
Ulrike Malmendier (University of California, Berkeley)

Program

Monday, July 10

8:30 – 9:00	Registration
9:00 – 9:15	Welcome
	Moral Behavior and Formation of Preferences Armin Falk (br i q and University of Bonn)
9:15 – 10:45	Lecture 1: Generalizability of (Lab) Results
10:45 – 11:15	Coffee Break
11:15 – 12:45	Lecture 2: Malleability of Moral Behavior
12:45 – 13:30	Lunch
13:30 – 15:00	Lecture 3: Preferences and Personality
15:00 – 15:30	Coffee Break
15:30 – 16:30	Sign-Ups: Roland Bénabou, George Loewenstein, Ulrike Malmendier
18:00	Dinner

Tuesday, July 11

Behavioral Corporate Finance

Ulrike Malmendier (University of California, Berkeley)

9:15 – 10:45 **Lecture 1: Investor Biases, and the Managerial Response to such Biases in their Corporate Decisions**

10:45 – 11:15 **Coffee Break**

11:15 – 12:45 **Lecture 2: Managerial Biases and the Market's Response in Terms of Providing Liquidity for Managerial Decisions**

12:45 – 13:30 **Lunch**

13:30 – 15:00 **Lecture 3: Experience Effects and Belief Formation in Behavioral Macro-Finance**

15:00 – 15:30 **Coffee Break**

15:30 – 16:30 **Sign-Ups: Roland Bénabou, Ernst Fehr, George Loewenstein, Ulrike Malmendier**

16:30 **Social Event**

Wednesday, July 12

How Do Society and Biology Shape the Individual?

Ernst Fehr (University of Zurich)

9:15 – 10:45 **Lecture 1: The Weave of Social Life: The Impact of Community Participation on Preferences, Beliefs, and Reputation**

10:45 – 11:15 **Coffee Break**

11:15 – 12:45 **Lecture 2: The Impact of a Nuclear Catastrophe on Economic and Political Preferences: The Case of Chernobyl**

12:45 – 13:30 **Lunch**

13:30 – 15:00 **Lecture 3: The Neural Foundations of Preferences**

15:00 – 15:30 **Coffee Break**

15:30 – 16:30 **Sign-Ups: Armin Falk, Ernst Fehr, Botond Kőszegi**

Thursday, July 13

Motivated Cognition, Social Beliefs, and Social Norms
Roland Bénabou (Princeton University)

9:15 – 10:45 **Lecture 1: The Economics of Motivated Cognition**

10:45 – 11:15 **Coffee Break**

11:15 – 12:45 **Lecture 2: Collective Beliefs: Organizations, Markets, and Ideologies**

12:45 – 13:30 **Lunch**

13:30 – 15:00 **Lecture 3: Social Norms, Social Beliefs, and Incentives**

15:00 – 15:30 **Coffee Break**

15:30 – 16:30 **Sign-Ups: Armin Falk, Botond Kőszegi**

18:00 **Informal Dinner**

Friday, July 14

The Economics of Hidden Prices
Botond Kőszegi (Central European University)

9:15 – 10:45 **Lecture 1: The Economics of Hidden Prices I**

10:45 – 11:15 **Coffee Break**

11:15 – 12:45 **Lecture 2: The Economics of Hidden Prices II**

12:45 – 13:30 **Lunch**

13:30 – 15:00 **Lecture 3: The Economics of Hidden Prices III**

15:00 – 15:30 **Coffee Break**

Farewell

Lecture Armin Falk

Moral Behavior and Formation of Preferences

I will discuss techniques of experimental economics and illustrate design and methodological issues in discussing recent topics in behavioral economics. The suggested topics are listed below and include (1) a brief discussion on potential objections against lab evidence, generalizability and experimental methods, (2) morality, (3) formation of preferences and personality, (4) measuring preferences on a global scale; cultural economics and long-term development.

Below you find a list of papers (suggested reading).

1 Generalizability of (Lab) Results

I will briefly discuss the idea of lab experiments; why the discussion about field vs. lab evidence is misguided; what generalizability implies (and what not); and examine frequently made objections against lab experiments, illustrated with recent evidence on subject pool effects, stake size and scrutiny in the domain of social preferences.

Suggested reading:

Davis, D.D., Holt, C.A. (1993), *Experimental Economics*, Princeton University Press, Princeton, New Jersey.

Falk, A., Heckman, J. (2009), Lab Experiments Are a Major Source of Knowledge in the Social Sciences, *Science*, 326(5952), 535–538.

Falk, A., Meier, S., Zehnder, C. (2013), Do Lab Experiments Misrepresent Social Preferences? The case of self-selected student samples, *Journal of the European Economic Association*, 11(4), 839–852.

Camerer, C. (2011), The promise and success of lab-field generalizability in experimental economics: A critical reply to Levitt and List.

Abeler, J., Nosenzo, D. (2013), Self-selection into Economics Experiments is Driven by Monetary Rewards, IZA DP, 7374.

Barmettler, F., Fehr, E., Zehnder, C. (2012), Big Experimenter Is Watching You! Anonymity and Prosocial Behavior in the Laboratory, *Games and Economic Behavior*, 75(1), 17–34.

Coppock, A., Green, D.P. (2013), *Assessing the Correspondence between Experimental Results Obtained in the Lab and Field: A Review of Recent Social Science Research*, Columbia University.

2 Malleability of Moral Behavior

Despite the fact that the public is very concerned with moral issues, and that economics can contribute much to that debate, economists have been quite reluctant to address the issue. Morality is the outcome of the interaction of individual conscience together with physical, psychological, cultural, and institutional determinants. In other words, moral behaviour is malleable and not determined solely by conscious reasoning guided by moral principles. I will talk about the effects of institutions (markets and groups) and individual determinants of immoral behavior. Closely related is a series of papers providing evidence on how circumstances lower people's willingness

to act prosocially (“wriggle rooms”). In fact, thinking about reasons for moral transgression is, to a large extent, thinking about how people search for excuses.

Suggested reading:

- Bartling, B., Fischbacher, U. (2012), Shifting the Blame: On Delegation and Responsibility, *Review of Economic Studies* 79(1), 67–87.
- Dana, J., Weber, R. and Kuang, X. (2007), Exploiting ‘moral wriggle room’: Experiments demonstrating an illusory preference for fairness. *Economic Theory*, 33(1): 67–80.
- Tirole, J., Falk, A. and R. Benabou (2016), Narratives, Imperatives and Moral Reasoning, mimeo.
- Falk, A. (2016), Facing Yourself: A Note on Self-Image.
- Falk, A. (2016), Status and Moral Disengagement, mimeo.
- Falk, A., Szech, N. (2013), Morals and Markets, *Science*, 340(6133), 707–711.
- Falk, A., Szech, N. (2013), Organizations, Diffused Pivotality and Immoral Outcomes, Discussion Paper, University of Bonn.
- Haidt, J., Kesebir, S. (2010), Morality, *Handbook of Social Psychology*, 5th Edition. Chap. 22. Fiske, S., Gilbert, D., Lindzey, G. (Eds.). Wiley.
- Foot, P. (1967), The Problem of Abortion and the Doctrine of Double Effect, *Oxford Review*, 5, 5–15.
- Hamman, J., Loewenstein, G., and Weber, R. (2010), Self-interest through delegation: An additional rationale for the principal-agent relationship. *The American Economic Review*, 100(4): 1826–1846.
- Haisley, E., Weber, R. (2010), Self-serving interpretations of ambiguity in other-regarding behavior, *Games and Economic Behavior*, 68(2): 634–645.

3 Preferences and Personality

Traditionally, economics has explained difference in behavior as a consequence of changes in incentives, such as prices, for given preferences. In fact, using differences in preferences or personality were largely discarded as non-explanations (see the famous dictum “de gustibus non est disputandum”, applied to economics by Stigler and Becker, 1977). In light of the pronounced heterogeneity in preferences and their obvious importance, this self-imposed restriction seems at least disputable. In recent years, and partly as a consequence of the progress in measuring preferences, economists have therefore started to use heterogeneity in personality and preferences to explain important economic outcomes. This raises important questions about (1) how to measure preferences and personality, (2) how economic and psychological measures of traits are related, and (3) how preferences are formed. I will talk about these issues, e.g., about distribution and consequences of risk preferences and psychological measures such as the Big-5 or Locus of Control. I will also report new evidence on the relation between economic and psychological measures. A particularly important question concerns the formation of preferences (not least for understanding inequality). Early life-circumstances seem to play a particular important role, such as socio-economic status and parenting style (proxied, e.g., by breastfeeding duration). Ultimately, we need to run intervention studies to provide causal evidence on the effects of (early) life circumstances on preferences. In this domain I will discuss recent work on children.

Suggested reading:

- Alan, S. and Ertac, S. (2014), Good Things Come to Those Who (Are Taught How to) Wait: Results from a Randomized Educational Intervention on Time Preference
- Alan, S., Boneva, T. and Ertac, S. (2015), Ever Failed, Try Again, Succeed Better: Results from a Randomized Educational Intervention on Grit.
- Borghans, L., Duckworth, A.L., Heckmann, J.J., ter Weel, B. (2008), The Economics and Psychology of Personality Traits, *Journal of Human Resources*, 43(4), 972–1059.
- Duckworth, A.L., Almlund, M., Kautz, T. (2011), Personality Psychology and Economics, IZA DP, 5500.
- Dohmen, T., Falk, A., Huffman, D., Sunde, U. (2011), Individual Risk Attitudes: Measurement, Determinants, and Behavioral Consequences, *Journal of the European Economic Association*, 9(3), 522–550.
- Dohmen, T., Falk, A., Huffman, D., Sunde, U. (2010), Are Risk Aversion and Impatience Related to Cognitive Ability? *American Economic Review*, 100(3), 1238–1260.
- Dohmen, T., Falk, A., Huffman, D., Sunde, U. (2012), The Intergenerational Transmission of Risk and Trust Attitudes, *Review of Economic Studies*, 79(2), 645–677.
- Dohmen, T., Falk, A., Huffman, D., Sunde, U. (2012), Interpreting Time Horizon Effects in Inter-Temporal Choice, Discussion Paper, University of Bonn.
- Falk, A., Kosse, F. (2016), Early Childhood Environment, Breastfeeding and the Formation of Preferences, HCEO Working Paper No. 2016–036.
- Becker, A., Deckers, T. Dohmen, T. Falk, A., Kosse, F. (2012), The Relationship Between Economic Preferences and Psychological Personality Measures, *Annual Review of Economics*, 4, 453–478.
- Fehr, E., Bernhard, H., Rockenbach, B. (2008), Egalitarianism in Young Children, *Nature*, 454, 1079–1083.
- Kosse, F., Deckers, T., Schildberg–Hörisch, Falk, A., The Formation of Prosociality: Causal Evidence on the Role of Social Environment, mimeo.
- Deckers, T., Falk, A., Kosse, F., Schildberg–Hoerisch, H., How Does Parental Socio–Economic Status Shape a Child’s Personality? mimeo.
- Heckman, J., Moon, S. M., Pinto, R., Savelyev, P., Yavitz, A. (2009), The Rate of Return to the High/Scope Perry Preschool Program, NBER Working Paper No. 15471.
- Kocher, M., Rützler, D., Sutter, M., Trautman, S. (2013), Impatience and uncertainty: Experimental decisions predict adolescents’ field behavior. *American Economic Review* 103, 510–531.

4 Measuring Preferences at the Global Scale

Suggested reading:

- Falk, A., Becker, A., Dohmen, T., Enke B., Huffman, D., Sunde U. (2015), The Nature and Predictive Power of Preferences: Global Evidence, IZA DP No. 9504.
- Becker, A., Enke, B., Falk, A. (2016), The Ancient Origins of the Global Variation in Economic Preferences.
- Falk, A., Becker, A., Dohmen, T., Enke B., Huffman, D., Sunde U. (2015), The Preference Survey Module: A Validated Instrument for Measuring Risk, Time, and Social Preferences, IZA DP No. 9674.

Lecture Ulrike Malmendier

Behavioral Corporate Finance

Lecture 1 and 2: Behavioral Corporate Finance

Here I would like to give an overview of the field of Behavioral Corporate Finance, and its links to neighboring fields (Labor, Political Economy, Public, Organizational Economics), emphasizing two perspectives: (1) Investor biases, and the managerial response to such biases in their corporate decisions. And (2) Managerial biases and the market's response in terms of providing liquidity for managerial decisions.

READINGS:

- Malmendier and Tate, JEP 2016
- Shleifer and Vishny, JFE 2003
- Malmendier and Tate, JFE 2008

Lecture 3: Experience Effects and Belief Formation in Behavioral Macro-Finance

READINGS

- Malmendier and Nagel, "Depression Babies", QJE 2011
- Malmendier and Nagel "Learning from Inflation Experiences", QJE 2016
- Malmendier, Nagel, Yan, "The Making of Hawks and Doves", Working Paper
- Malmendier and Shen, "Scarred Consumption", Working Paper
- Malmendier and Steiny, "Buy or Rent", Working Paper

Lecture Ernst Fehr

How do society and biology shape the individual?

- Lecture 1:** The weave of social life: The impact of community participation on preferences, beliefs, and reputation
- Lecture 2:** The impact of a nuclear catastrophe on economic and political preferences: the case of Chernobyl
- Lecture 3:** The neural foundations of preferences

Reading list:

- Cohn A, Fehr E, and Maréchal MA. Business culture and dishonesty in the banking industry. 2014. *Nature*. doi: 10.1038/nature13977
- Cohn A, Engelmann J, Fehr E and Maréchal MA. Evidence for countercyclical risk aversion: An experiment with financial professionals. 2015. *American Economic Review*. doi: 10.1257/aer.20131314
- Hoff K, Kshetramade M, Fehr E. Caste and punishment: The legacy of caste culture in norm enforcement. 2011. *The Economic Journal*. doi:10.1111/j.1468-0297-2011-02476.x
- Fehr E. and Hoff K. Tastes, castes, and culture: the influence of society on preferences. 2011. *The Economic Journal*. doi:10.1111/j.1468-0297.2011.20478x
- Ruff CC, Ugazio G., and Fehr E. Changing Social Norm Compliance with Noninvasive Brain Stimulation. 2013. *Science* doi:10.1126/science.1241399
- Krajbich I, Hare T, Bartling B, Morishima Y, and Fehr E. A common mechanism underlying food choice and social decisions. 2014 *PLOS Computational Biology*. doi: 10.1371/journal.pcbi.1004371
- Kosse F, Deckers T, Schildberg-Hörisch H, and Falk A. The formation of prosociality: causal evidence on the role of the social environment. 2016. IZA Discussion Paper Series.

Lecture Roland Bénabou

Motivated Cognition, Social Beliefs, and Social Norms

Lecture I: The Economics of Motivated Cognition

- R. Bénabou, "[The Economics of Motivated Beliefs](#)," Jean-Jacques Laffont Lecture, *Revue d'Economie Politique* (2015), 125(5), 665–685.
- R. Bénabou and J. Tirole, "[Mindful Economics: The Production, Consumption, and Value of Beliefs](#)," *Journal of Economic Perspectives*, 30(3), Summer 2016, 141–164.
- Benabou, R. and J. Tirole (2002) "[Self Confidence and Personal Motivation](#)", *Quarterly Journal of Economics*, 117(3), 871–915.
- Benoit, J.P. and Dubra, J. (2011) "[Apparent Overconfidence](#)," *Econometrica*, 79(5), 1591–1625.
- Brunnermeier, M. and J. Parker (2005) "[Optimal Expectations](#)," *American Economic Review*, 95(4), 1092–1118.
- Camerer, C. and Lovallo, D. (1999) "[Overconfidence and Excess Entry: An Experimental Approach](#)," *American Economic Review*, 89, 306–318.
- Caplin, A. and Leahy, J. (2001), [Psychological Expected Utility Theory and Anticipatory Feelings](#), *Quarterly Journal of Economics*, 116, 55–80.
- Cheng, I.-A., Raina, S., and W. Xiong (2014). "[Wall Street and the Housing Bubble](#)," *American Economic Review*, 104(9): 2797–2829.
- Chew, S.H., Wei Huang, and Ziaojian Xiaojian. 2013. "Selective Memory and Motivated Delusion: Theory and Experiment." Unpublished paper, National University of Singapore, February.
- Di Tella, R. Perez-Truglia, R. Babino, A. and M. Sigman (AER 2015): Conveniently Upset: Avoiding Altruism by Distorting Beliefs About Others' Altruism," *American Economic Review*, 105(11): 3416–42.
- Eil, D. and Rao, A. (2011) "[The Good News–Bad News Effect: Asymmetric Processing of Objective Information about Yourself](#)", *American Economic Journal Micro*.
- Ganguly, A., and J. Tasoff (2017) Forthcoming. "Fantasy and Dread: The Demand for Information and the Consumption Utility of the Future." *Management Science*, forthcoming.
- Gneezy, Uri, Silvia Saccardo, Marta Serra-Garcia, and Roel van Veldhuizen. 2014. "Motivated Self-Deception and Unethical Behavior," mimeo.
- Kőszegi, B. (2010) "[Utility from Anticipation and Personal Equilibrium](#)," *Economic Theory* 44(3), 415–444.
- Loewenstein, G. (1987) "[Anticipation and the the Valuation of Delayed Consumption](#)," *Economic Journal*, 97, 666–684.
- Möbius, M., Niederle, M. Niehaus, P and Rosenblat, T. (2010) "[Self-Confidence Management: Theory and Experimental Evidence](#)", Stanford University mimeo.
- Oster, E., Shoulson, I. and R. Dorsey. 2013. "Optimal Expectations and Limited Medical Testing: Evidence from Huntington Disease." *American Economic Review*, 103(2): 804–830.
- Puri, Manju, and David T. Robinson. 2007. "Optimism and Economic Choice." *Journal of Financial Economics*, 86(1): 71–99.
- Schwardman, Peter, and Joël van der Weele. (2017) "Deception and Self-Deception" JEEA, forthcoming.

Sharot T., Korn C. and R. Dolan (2012) "[How Unrealistic Optimism is Maintained in the Face of Reality.](#)" *Nature Neuroscience*, 14(11): 1475--1479.

Lecture II: Collective Beliefs: Organizations, Markets, and Ideologies

A Organizational and Market Beliefs

- Benabou, R. (2013) "[Groupthink: Collective Delusions in Organizations and Markets](#)", *Review of Economic Studies*.
- Benabou, R. and J. Tirole (2002) "[Over My Dead Body: Bargaining and the Price of Dignity](#)," with Jean Tirole, *American Economic Review*, P&P, 99(2), (2009), 459–465.
- Bolton, P. Brunnermeier, M. and Veldkamp, L. (2013) "[Leadership, Coordination, and Corporate Culture](#)", *Review of Economic Studies* (2013) 80, 512–537
- Gervais, S. and Goldstein, I. (2007) "[The Positive Effects of Biased Self-Perceptions in Firms](#)", *Review of Finance*," 11(3), 453–96.
- Landier, A., Sraer, D. and D. Thesmar (2009) "[Optimal Dissent in Organizations](#)," *Review of Economic Studies*, 76(2), 761–794.
- Van den Steen, E. (2010) "[On the Origins of Shared Beliefs \(and Corporate Culture\)](#)," *Rand Journal of Economics*, 41(4), 617–648.

B Political Beliefs and Ideologies

- Alesina, Stantcheva and Teso (WP 2017) "Intergenerational Mobility and Preferences For Redistribution, NBER WP 23027
- Benabou, R. "[Ideology](#)," *Journal of the European Economic Association*, April–May 2008 6(2–3), 321–352.
- Benabou, R. and J. Tirole "[Belief in a Just World and Redistributive Politics](#)", *Quarterly Journal of Economics*, 121(2), May 2006, 699–746.
- Ortoleva, P., and E. Snowberg. 2015a. "Overconfidence in Political Behavior." *American Economic Review*, 105(2): 504–35.
- Levy, R. 2014. "Soothing Politics." *Journal of Public Economics*, 120: 126–33.

Lecture III: Social Norms, Social Beliefs and Incentives

- Acemoglu, D. and M. Jackson (2015) "History, Expectations, and Leadership in the Evolution of Social Norms," *Review of Economic Studies*, 1–34
- Ali, N. and R. Benabou (2016) "[Image Versus Information: Changing Societal Norms and Optimal Privacy](#)", NBER Working Paper 22203.
- Ariely, D., Bracha, A. and Meier, S. (2009) "[Doing Good or Doing Well? Image Motivation and Monetary Incentives in Behaving Prosocially](#)", *American Economic Review*, 99(1), 544–555.
- Benabou, R. and J. Tirole (2003) "[Intrinsic and Extrinsic Motivation](#)," *Review of Economic Studies*, 70: 489–520.
- Benabou, R. and J. Tirole (2006) "[Incentives and Prosocial Behavior](#)," *American Economic Review*, 96(5), 1652–1678.

- Benabou, R. and J. Tirole (2011) "[Laws and Norms](#)", NBER Working Paper 17579.
- Bernheim, D. (1994) "[A Theory of Conformity](#)," *Journal of Political Economy*, 102: 842–877.
- Besley, T., Jensen, A. and T. Persson (2014) "[Norms, Enforcement, and Tax Evasion](#)", mimeo.
- Dana, J., Weber, R. and J. Kuang (2007) "[Exploiting Moral Wriggle Room: Experiments Demonstrating an Illusory Preference for Fairness.](#)" *Economic Theory*, 33(1), 67–80.
- Della Vigna, S., List, J. and U. Malmendier (2012) "[Testing for Altruism and Social Pressure in Charitable Giving](#)", *Quarterly Journal of Economics*, 127, 1, 1–56.
- Ellingsen, T., and Johannesson, M. (2008) "[Pride and Prejudice: The Human Side of Incentive Theory](#)", *American Economic Review*, 98(3), 990–1008.
- Galbiati, R., [K. Schlag](#) and [J. Van Der Weele](#) (2013) "[Sanctions That Signal: an Experiment](#)," *Journal of Economic Behavior and Organization*, 94: 34–51.
- Jia, R. and T. Persson (2015) "[Ethnicity in Children and Mixed Marriages: Theory and Evidence from China](#)," UCSD mimeo.
- Lacetera, N., Macis, M. and R. Slonim (2013) "[Economic Rewards to Motivate Blood Donations](#)".

Lecture Botond Kőszegi

The Economics of Hidden Prices

Rough outline of the lecture:

1. Motivation and a Little Bit of Evidence.
2. Basic Model of Consumers' Misunderstanding of Prices.
 - a. Foundations and Framework.
 - b. Benchmark: Safety in Markets.
 - c. Distributional Effects.
 - d. Distortions.
 - e. Naivete-Based Discrimination.
3. Manipulating Consumer Mistakes.
 - a. Educating and Confusing.
 - b. Attention.
4. Deriving Mistakes from Primitives
 - a. Reduced-Form versus Structured Modeling.
 - b. Credit Contracts with Hyperbolic Discounting.
 - c. Contracting with Overconfident Consumers.
5. Policy with Consumer Mistakes.
 - a. The Inadequacy of Market Solutions.
 - b. Soft Paternalism and Consumer Education.
 - c. Regulating Contracts and Firm Conduct.

Readinglist:

There are no readings that are required ahead of time, although the lectures will presume familiarity with basic behavioral-economics models, especially hyperbolic discounting, loss aversion, and overconfidence. Below is a partial list of papers that the lectures will draw upon. My suggestion is to think of this as a reference list for following up on topics that piqued your interest during the lectures. Feel free to ask for suggestions on specific readings from the list, and on further readings.

Agarwal, Sumit, Souphala Chomsisengphet, Neale Mahoney, and Johannes Stroebel, "Regulating Consumer Financial Products: Evidence from Credit Cards," *Quarterly Journal of Economics*, 2015, 130 (1), 111-164. Previously NBER Working Paper #19484.

Armstrong, Mark and John Vickers, "Consumer Protection and Contingent Charges," *Journal of Economic Literature*, 2012, 50 (2), 477-493.

Armstrong, Mark, John Vickers and Jidong Zhou, "Consumer Protection and the Incentive to Become Informed," *Journal of the European Economic Association*, 2009, 7 (2-3), 399-410.

Ausubel, Lawrence M., "The Failure of Competition in the Credit Card Market," *American Economic Review*, 1991, 81 (1), 50-81.

Bar-Gill, Oren and Franco Ferrari, "Informing Consumers about Themselves," *Erasmus Law Review*, 2010, 3 (2), 93-119.

Bar-Gill, Oren and Ryan Bubb, "Credit Card Pricing: The CARD Act and Beyond," *Cornell Law Review*, 2012, 97.

- Camerer, Colin, Samuel Issacharoff, George Loewenstein, Ted O'Donoghue and Matthew Rabin, "Regulation for Conservatives: Behavioral Economics and the Case for 'Asymmetric Paternalism'," *University of Pennsylvania Law Review*, 2003, 151 (3), 1211-1254.
- Carlin, Bruce I., "Strategic price complexity in retail financial markets," *Journal of Financial Economics*, 2009, 91 (3), 278-287.
- Chioveanu, Ioana and Jidong Zhou, "Price Competition with Consumer Confusion," *Management Science*, 2013, 59 (11), 2450-2469.
- De Clippel, Geoffroy, Kfir Eliaz, and Kareen Rozen, "Competing for Consumer Inattention," *Journal of Political Economy*, 2014, 122 (6), 1203-1234.
- DellaVigna, Stefano and Ulrike Malmendier, "Contract Design and Self-Control: Theory and Evidence," *Quarterly Journal of Economics*, 2004, 119 (2), 353-402.
- Duarte, Fabian and Justine S. Hastings, "Fettered Consumers and Sophisticated Firms: Evidence from Mexico's Privatized Social Security Market," 2012. NBER Working Paper #18582.
- Eliaz, Kfir and Ran Spiegler, "Contracting with Diversely Naive Agents," *Review of Economic Studies*, 2006, 73 (3), 689-714.
- Ellison, Glenn and Sara Fisher Ellison, "Search, Obfuscation, and Price Elasticities on the Internet," *Econometrica*, 2009, 77 (2), 427-452.
- Gabaix, Xavier and David Laibson, "Shrouded Attributes, Consumer Myopia, and Information Suppression in Competitive Markets," *Quarterly Journal of Economics*, 2006, 121 (2), 505-540.
- Grubb, Michael D., "Selling to Overconfident Consumers," *American Economic Review*, 2009, 99 (5), 1770-1805.
- Grubb, Michael D., "Consumer Inattention and Bill-Shock Regulation," *Review of Economic Studies*, 2015, 82 (1), 219-257.
- Heidhues, Paul and Botond Kőszegi, "Exploiting Naivete about Self-Control in the Credit Market," *American Economic Review*, 2010, 100 (5), 2279-2303.
- Heidhues, Paul and Botond Kőszegi, "Naivete-Based Discrimination," *Quarterly Journal of Economics*, 2017, forthcoming.
- Heidhues, Paul and Botond Kőszegi and Takeshi Murooka, "Exploitative Innovation," *American Economic Journal: Microeconomics*, 2016, 8 (1), 1-23.
- Heidhues, Paul and Botond Kőszegi and Takeshi Murooka, "Inferior Products and Profitable Deception," *Review of Economic Studies*, 2017, 84 (1), 323-356.
- Heidhues, Paul, Johannes Johnen, and Botond Kőszegi, "Browsing versus Studying Offers," 2017. Working Paper.
- Johnen, Johannes, "Dynamic Competition in Markets for Deceptive Products," 2016. Working Paper, ESMT.
- Kamenica, Emir, Sendhil Mullainathan, and Richard Thaler, "Helping Consumers Know Themselves," *American Economic Review*, 2011, 101 (3), 417-22.
- Laibson, David I. and Leeat Yariv, "Safety in Markets: An Impossibility Theorem for Dutch Books," 2007. Working Paper, Caltech.
- Murooka, Takeshi, "Deception under Competitive Intermediation," 2013. Working Paper.
- Piccione, Michele and Ran Spiegler, "Price Competition under Limited Comparability," *Quarterly Journal of Economics*, 2012, 127 (1), 197-135.
- Ru, Hong and Antoinette Schoar, "Do Credit Card Companies Screen for Behavioral Biases?," 2016. Working Paper.
- Sandroni, Alvaro and Francesco Squintani, "Overconfidence, Insurance, and Paternalism," *American Economic Review*, 2007, 97 (5), 1994-2004.

- Shapiro, Carl, "Aftermarkets and Consumer Welfare: Making Sense of Kodak," *Antitrust Law Journal*, 1995, 63 (2), 483-511.
- Spiegler, Ran, "Choice Complexity and Market Competition," *Annual Review of Economics*, forthcoming.
- Thaler, Richard H. and Cass R. Sunstein, "Libertarian Paternalism," *American Economic Review*, 2003, 93 (2), 175-179.
- Thaler, Richard H. and Shlomo Benartzi, "Save More Tomorrow: Using Behavioral Economics to Increase Employee Saving," *Journal of Political Economy*, 2004, 112 (1), S164-S187.
- Warren, Patrick L. and Daniel H. Wood, "The Political Economy of Regulation in Markets with Naïve Consumers," *Journal of the European Economic Association*, 2014, 12 (6), 1617-1642.