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## CHAPTER 13

# Beer and Free Lunches

*What Is Behavioral Economics, and Where  
Are the Free Lunches?*

**T**he Carolina Brewery is a hip bar on Franklin Street, the main street outside the University of North Carolina at Chapel Hill. A beautiful street with brick buildings and old trees, it has many restaurants, bars, and coffee shops—more than one would expect to find in a small town.

As you open the doors to the Carolina Brewery, you see an old building with high ceilings and exposed beams, and a few large stainless steel beer containers that promise a good time. There are semiprivate tables scattered around. This is a favorite place for students as well as an older crowd to enjoy good beer and food.

Soon after I joined MIT, Jonathan Levav (a professor at Columbia) and I were mulling over the kinds of questions one might conjure up in such a pleasant pub. First, does the sequential process of taking orders (asking each person in turn to state his or her order) influence the choices that the people sitting around the table ultimately make? In other