# Reading Assignments for A Beginner's Guide to Irrational Behavior

# by Dan Ariely

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# **Pre-course Recommended Reading**

- Kahneman, D. (2003). <u>Maps of Bounded Rationality: Psychology for Behavioral Economics</u>. The American Economic Review, 93(5), 1449-1475.
- Camerer, C. (1999). <u>Behavioral Economics: Reunifying Psychology and</u> Economics. PNAS, 96, 10575-1057.
- Kenrick, D. T., Griskevicius, V., Sundie, J. M., Li, N. P., Li, Y. J., & Neuberg, S. L. (2009). <u>Deep Rationality: The Evolutionary Economics of Decision Making.</u>
   Social Cognition, 27(5), 764-765.
- Sunstein, C. (2012, in press). <u>The Storrs Lectures: Behavioral Economics and Paternalism.</u> Yale Law Journal.
- Ashraf, N., Camerer, C. F., & Loewenstein, G (2005). <u>Adam Smith, Behavioral Economist</u>. Journal of Economic Perspectives, 19 (3), 131–145.
- Uchitelle, L. (2001, February 11). <u>Following the Money, But also the Mind.</u> The New York Times.
- Belluck, P. (2011, January 20). <u>To Really Learn, Quit Studying and Take a Test.</u> The New York Times.

# Week 1: Introduction to Irrationality



### "Required" Reading

- Ariely, D. & Norton, M. I. (2008). <u>How actions create—not just reveal—</u>
   preferences. Trends in Cognitive Sciences, 12(1), 13-16. (Working paper version.)
- Ariely, D., Loewenstein, G., & Prelec, D. (2005). <u>Tom Sawyer and the construction of value</u>. Journal of Economic Behavior & Organization, 60(1), 1-10. (Working paper version.)
- Tetlock, P. E., & Mellers, B. A. (2002). <u>The great rationality debate.</u> Psychological Science, 13(1), 94-99. Copyright is by permission of the © American Psychological Society.
- Johnson, E., & Goldstein, D. (2003). <u>Do defaults save lives?</u> Science, 302(5649), 1338-1339.
- Davidai, S., Gilovich, T., & Ross, L.D. (2012). <u>The meaning of default options for potential organ donors</u>. PNAS, 109(38), 15201-15205.

- Rabin, M. (1998). <u>Psychology and Economics.</u> Journal of economic literature, 36(1), 11-46.
- Brenner, L., Rottenstreich, Y., & Sood, S. (1999). <u>Comparison, Grouping, and Preference</u>. Psychological Science, 10(3), 225-229. Copyright is by permission of the © American Psychological Society.
- Johansson, P., Hall, L., Sikström, S., & Olsson, A. (2005). <u>Failure to Detect Mismatches Between Intention and Outcome in a Simple Decision Task</u>.
   Science, 310(5745), 116-119. (Free with registration.)

- Simon, D., Krawczyk, D. C., & Holyoak, K. J. (2004). <u>Construction of Preferences by Constraint Satisfaction</u>. Psychological Science, 15(5), 331-336. Copyright is by permission of the © American Psychological Society.
- Amir, O. & Levav, J. (2008). <u>Choice Construction versus Preference</u>
   <u>Construction: the Instability of Preferences Learned in Context.</u> Journal of Marketing Research, 45(2), 145-158. (Working paper version.)
- Ariely, D., Loewenstein, G.F. & Prelec, D. <u>Coherent Arbitrariness: Duration-sensitive Pricing of Hedonic Stimuli Around an Arbitrary Anchor.</u> (Working paper version. Published paper from 2003 is unavailable, but is "Coherent Arbitrariness: Stable Demand Curves without Stable Preferences")
- Pope, D., & Simonsohn, U. (2011). <u>Round Numbers as Goals: Evidence from Baseball, SAT takers, and the Lab.</u> Psychological Science, 22(1), 71-79.
   Copyright is by permission of the © American Psychological Society.
- Gottlieb, D. A., Weiss, T., & Chapman, G. B. (2007). <u>The Format in which Uncertainty Information is Presented Affects Decision Biases</u>. Psychological Science, 18(3), 240-246. Copyright is by permission of the © American Psychological Society.
- Levav, J., & Fitzsimons, G. J. (2006). When Questions Change Behavior: the Role of Ease of Representation. Psychological Science, 17(3), 207-213.
   Copyright is by permission of the © American Psychological Society.
- Peder, Z. (2013, February 11). <u>In Pursuit of Taste, en Masse.</u> The New York Times.

# Week 2: The Psychology of Money



### "Required" Reading

- Shah, A. M., & Wolford, G. (2007). <u>Buying Behavior.</u> Psychological Science, 18(5), 369-370.
- Frederick, S., Novemsky, N., Wang, J., Dhar, R., & Nowlis, S. (2009). Opportunity Cost Neglect. Journal of Consumer Research, 36(4), 553-561.
- Thomas, M., Desai, K. K., & Seenivasan, S. (2011). <u>How Credit Card Payments Increase Unhealthy Food Purchases: Visceral Regulation of Vices.</u> Journal of Consumer Research, 38(1), 126-139.
- Vohs, K. D., Mead, N. L., & Goode, M. R. (2006). <u>The Psychological Consequences of Money.</u>
- Science, 314(5802), 1154-1156. (Free with registration.)

- Spiller, S. A. (2011). <u>Opportunity Cost Consideration.</u> Journal of Consumer Research, 38(4), 595-610.
- Magen, E., Dweck, C. S., & Gross, J. J. (2008). <u>The Hidden-Zero Effect:</u>
   Representing a Single Choice as an Extended Sequence Reduces Impulsive
   Choice. Psychological Science, 19(7), 648-649.
- Mogilner, C. (2010). <u>The Pursuit of Happiness: Time, Money, and Social Connection.</u> Psychological Science, 21(9), 1348-1354.

- Boyce, C. J., Brown, G. D., & Moore, S. C. (2010). <u>Money and Happiness: Rank of Income, not Income, Affects Life Satisfaction.</u> Psychological Science, 21(4), 471-475.
- Quoidbach, J., Dunn, E. W., Petrides, K. V., & Mikolajczak, M. (2010). Money Giveth, Money Taketh Away: The Dual Effect of Wealth on Happiness. Psychological Science, 21(6), 759-763.
- Maddux, W. W., Yang, H., Falk, C., Adam, H., Adair, W., Endo, Y., Carmon, Z., & Heine, S. J. (2010). For Whom is Parting with Possessions more Painful?
   Cultural Differences in the Endowment Effect. Psychological Science, 21(12), 1910-1917.
- lyengar, S.S., Wells, R.E., & Schwartz, B. (2006). <u>Doing Better but Feeling Worse:</u>
   <u>Looking for the "Best" Job Undermines Satisfaction.</u> Psychological Science,
   17(2), 143–150.
- Weber, B., Rangel, A., Wibral, M., Falk, A., & Akerlof, G. A. (2009). <u>The Medial Prefrontal Cortex Exhibits Money Illusion</u>. PNAS, 106(13), 5025-5028.
- Frank, R. (2011, May 14). Why Worry? It's Good for You. The New York Times.
- Nocera, J. (2012, April 27). My Faith-based Retirement. The New York Times.
- Surowiecki, J. (2012, June 4). <u>The Fairness Trap.</u> The New Yorker.

# Week 3: Dishonesty



# "Required" Reading

- Mazar, N., Amir, O., & Ariely, D. (2008). <u>The Dishonesty of Honest People: A Theory of Self-concept Maintenance</u>. Journal of marketing research, 45(6), 633-644.
- Gino, F., Ayal, S., & Ariely, D. (2009). Contagion and Differentiation in Unethical Behavior: The Effect of One Bad Apple on the Barrel. Psychological Science, 20(3), 393-398. Copyright is by permission of the © American Psychological Society.
- Yang, Y., Raine, A., Lencz, T., Bihrle, S., LaCasse, L., & Colletti, P. (2005).
   Prefrontal White Matter in Pathological Liars. British Journal of Psychiatry, 187, 320-325. Copyright is by permission of the © British Psychological Society.
- Zhong, C. & Liljenquist, K. (2006). <u>Washing away your sins: Threatened morality and physical cleansing.</u> Science, 313(5792), 1451-1452. (Free with registration.)
- Von Hippel, W. & Trivers, R. (2011). <u>The Evolution and Psychology of Self-deception</u>. Behavioral and Brain Sciences, 34(1), 1-56.
- Shalvi, S., Dana, J., Handgraaf, M., & De Dreu, C. (2011). <u>Justified Ethicality:</u> <u>Observing Desired Counterfactuals Modifies Ethical Perceptions and Behavior.</u> Organizational Behavior and Human Decision Processes, 115(2), 181-190.

- Gino, F. & Galinsky, A. (2010, May). When Psychological Closeness Creates
   <u>Distance from one's Moral Compass</u>. In IACM 23rd Annual Conference Paper.

   (Working paper version. Published paper from 2012 is unavailable, but is
   "Vicarious dishonesty: When psychological closeness creates distance from one's moral compass")
- Vohs, K. D. & Schooler, J. W. (2008). <u>The Value of Believing in Free Will:</u>
   <u>Encouraging a Belief in Determinism Increases Cheating.</u> Psychological Science, 19(1), 49-54. Copyright is by permission of the © American Psychological Society.
- Dijksterhuis, A., Preston, J., Wegner, D. M., & Aarts, H. (2008). <u>Effects of Subliminal Priming of Self and God on Self-attribution of Authorship for Events</u>. Journal of Experimental Social Psychology, 44(1), 2-9.
- Williams, L. E. & Bargh, J. A. (2008). <u>Keeping One's Distance: The Influence of Spatial Distance Cues on Affect and Evaluation.</u> Psychological Science, 19(3), 302-308. Copyright is by permission of the © American Psychological Society.
- Wang, C. S., Galinsky, A. D., & Murnighan, J. K. (2009). <u>Bad Drives</u>
   <u>Psychological Reactions, but Good Propels Behavior Responses to Honesty</u>
   <u>and Deception.</u> Psychological Science, 20(5), 634-644. Copyright is by
   permission of the © American Psychological Society.
- Mazar, N., & Zhong, C. B. (2010). <u>Do Green Products Make us Better People?</u>
   Psychological Science, 21(4), 494-498. Copyright is by permission of the ©
   American Psychological Society.
- Gino, F., Norton, M. I., & Ariely, D. (2010). <u>The Counterfeit Self: The Deceptive Costs of Faking It.</u> Psychological Science, 21(5), 712-720. Copyright is by permission of the © American Psychological Society.
- Chance, Z., Norton, M. I., Gino, F., & Ariely, D. (2011). <u>Temporal View of the Costs and Benefits of Self-deception</u>. PNAS, 15655-15659.
- Brooks, D. (2012, June 12). The Moral Diet. The New York Times.
- Surowiecki, J. (2012, July 30). Bankers Gone Wild. The New Yorker.
- Pearlstein, J. (2012, June 22). Why we Lie, Go to Prison, and Eat Cake: 10 Questions with Dan Ariely. Wired.

# Week 4: Labor and Motivation



### "Required" Reading

- Anik, L., Aknin, L., Norton, M., & Dunn, E. (2009). <u>Feeling Good about Giving:</u>
   The Benefits (and Costs) of Self-interested Charitable Behavior. Harvard Business School Marketing Unit Working Paper, (10-012).
- Norton, M. I., Mochon, D., & Ariely, D. <u>The IKEA Effect: When Labor Leads to Love.</u> Harvard Business School Marketing Unit Working Paper, (11-091). (Published paper from 2012 is unavailable, but can be found under the same title. Also recommended from 2012 is "Bolstering and Restoring Feelings of Competence via the IKEA Effect".)
- Ariely, D., Gneezy, U., Loewenstein, G., & Mazar, N. (2009). <u>Large Stakes and Big Mistakes</u>. Review of Economic Studies, 76, 451-469.
- Heyman, J., & Ariely, D. (2004). Effort for Payment: A Tale of Two Markets.
   Psychological Science, 15(11), 787-793. Copyright is by permission of the ©

   American Psychological Society.
- Gneezy, U., & Rustichini, A. (2000). <u>A Fine is a Price.</u> The Journal of Legal Studies, 29(1), 1-17. (Free with registration.)
- Ariely, D., Kamenica, E. & Prelec, D. (2008). <u>Man's Search for Meaning: The Case of Legos</u>. Journal of Economic Behavior and Organization, 67, 671-677.

- DeVoe, S. E. & Iyengar, S. S. (2010). <u>Medium of Exchange Matters: What's Fair for Goods is Unfair for Money.</u> Psychological Science, 21(2), 159-162. Copyright is by permission of the © American Psychological Society.
- Haisley, E., & Loewenstein, G. (2011). <u>It's not what you get but when you get it:</u>
   The effect of gift sequence on deposit balances and customer sentiment in a commercial bank. Journal of Marketing Research, 48(1), 103-115. (Working Paper Version)
- Ariely, D., Bracha, A., & Meier, S. (2009). <u>Doing Good or Doing Well? Image Motivation and Monetary Incentives in Behaving Prosocially.</u> The American Economic Review, 99(1), 544-555.
- Woolhandler, S., Ariely, D., & Himmelstein, D. U. (2012). Why Pay for <u>Performance may be Incompatible with Quality Improvement.</u> BMJ: British Medical Journal, 345.
- Beilock, S. L. & Carr, T. H. (2005). When High-powered People Fail: Working <u>Memory and "Choking Under Pressure" in Math.</u> Psychological Science, 16(2), 101-105. Copyright is by permission of the © American Psychological Society.
- Porter, E. (2005, April 12). <u>Can Shortcuts be a Force for Thrift?</u> The New York Times.
- Ariely, D. (2008, November 19). What's the Value of a Big Bonus? The New York Times.

# Week 5: Self-control



## "Required" Reading

- Ariely, D., & Wertenbroch, K. (2002). <u>Procrastination, Deadlines, and Performance: Self-control by Precommitment.</u> Psychological Science, 13(3), 219-224. Copyright is by permission of the © American Psychological Society.
- Moffitt, T. E., Arseneault, L., Belsky, D., Dickson, N., Hancox, R. J., Harrington, H., ... & Caspi, A. (2011). <u>A Gradient of Childhood Self-control Predicts Health, Wealth, and Public Safety.</u> PNAS, 108(7), 2693-2698. And <u>commentary</u> on the article.
- Thaler, R. H. & Benartzi, S. (2004). <u>Save More Tomorrow: Using Behavioral Economics to Increase Employee Saving.</u> Journal of Political Economy, 112(1), S164-S187. (Free with registration.)
- McClure, S. M., Laibson, D. I., Loewenstein, G., & Cohen, J. D. (2004). <u>Separate Neural Systems Value Immediate and Delayed Monetary Rewards.</u> Science, 306(5695), 503-507. (Free with registration.)
- Trope, Y., & Fishbach, A. (2000). <u>Counteractive Self-control in Overcoming Temptation</u>. Journal of Personality and Social Psychology, 79(4), 493-506. Copyright is by permission of the © American Psychological Society.
- Keeney, R. L. (2008). <u>Personal Decisions are the Leading Cause of Death.</u>
   Operations Research, 56(6), 1335-1347. Copyright is by permission of the ©
   Institute for Operations Research and the Management Sciences.

- Papies, E. K. (2012). <u>Goal Priming in Dieters: Recent Insights and Applications.</u> Current Obesity Reports, 1, 99-105.
- Myrseth, K. O.R., Fishbach, A., & Trope, Y. (2009). <u>Counteractive Self-Control</u>. Psychological Science, 20, 159-163. Copyright is by permission of the © American Psychological Society.
- Patrick, V., Chun, H. E., & MacInnis, D. (2009). <u>Affective Forecasting and Self-control</u>: <u>When Anticipating Pride Wins over Anticipating Shame in a Self-regulation Context</u>. Journal of Consumer Psychology, 19(3). (Working Paper Version)
- Erskine, J. A., Georgiou, G. J., & Kvavilashvili, L. (2010). <u>I Suppress, therefore I Smoke: Effects of Thought Suppression on Smoking Behavior.</u> Psychological science, 21(9), 1225-1230. Copyright is by permission of the © American Psychological Society.
- Wansink, B., Painter, J. E., & North, J. (2005). <u>Bottomless Bowls: Why Visual Cues of Portion Size may Influence Intake.</u> Obesity Research, 13(1), 93-100.
- Danziger, S. Levav, J. Avnaim-Pesso. L. (2011). <u>Extraneous Factors in Judicial</u> <u>Decisions.</u> PNAS 108(17), 6889-6892.
- Nordgren, L. F., & Chou, E. Y. (2011). <u>The Push and Pull of Temptation: The Bidirectional Influence of Temptation on Self-control.</u> Psychological Science, 22(11), 1386-1390. Copyright is by permission of the © American Psychological Society.
- Ackerman, J. M., Goldstein, N. J., Shapiro, J. R., & Bargh, J. A. (2009). You wear me out: The vicarious depletion of self-control. Psychological Science, 20(3), 326-332. Copyright is by permission of the © American Psychological Society.
- Rachlin, H. (1990). Why do People Gamble and Keep Gambling Despite Heavy
   Losses? Psychological Science, 1(5), 294-297. Copyright is by permission of the
   © American Psychological Society.
- Eigsti, I. M., Zayas, V., Mischel, W., Shoda, Y., Ayduk, O., Dadlani, M. B., ... & Casey, B. J. (2006). <u>Predicting Cognitive Control from Preschool to Late Adolescence and Young Adulthood.</u> Psychological Science, 17(6), 478-484. Copyright is by permission of the © American Psychological Society.
- Kober, H., Mende-Siedlecki, P., Kross, E. F., Weber, J., Mischel, W., Hart, C. L., & Ochsner, K. N. (2010). <u>Prefrontal-striatal Pathway Underlies Cognitive</u> <u>Regulation of Craving.</u> PNAS, 107(33), 14811-14816.
- Caldwell, C. (2004, March 1). <u>Select All: Can you have too many choices?</u> The New Yorker.
- Pinker, S. (2011, September 4). <u>The Sugary Secret of Self Control.</u> The New York Times.
- Bakalar, N. (2012, February 13). <u>Options Play a Role in Healthier Choices.</u> The New York Times.

# Week 6: Emotion



### "Required" Reading

- Slovic, P., Zionts, D., Woods, A., Goodman, R., & Jinks, D. (2011). <u>Psychic Numbing and Mass Atrocity.</u> In Shafir, E. (ed.), The Behavioral Foundations Of Policy (11-56).
- Gigerenzer, G. (2004). <u>Dread Risk, September 11, and Fatal Traffic Accidents.</u> Psychological Science, 15(4), 286-287. Copyright is by permission of the © American Psychological Society.
- Gilbert, D. T., Lieberman, M. D., Morewedge, C. K., & Wilson, T. D. (2004). <u>The Peculiar Longevity of Things Not So Bad.</u> Psychological Science, 15(1), 14-19. Copyright is by permission of the © American Psychological Society.
- Loewenstein, G. (2000). <u>Emotions in Economic Theory and Economic Behavior.</u> The American Economic Review, 90(2), 426-432.

- Inbar, Y., Pizarro, D., Gilovich, T. & Ariely, D. (2013). <u>Moral Masochism: On the Connection Between Guilt and Self-Punishment</u>. Emotion, 13(1), 14-18. (Working Paper Version)
- Andrade, E. B., & Ariely, D. (2009). <u>The Enduring Impact of Transient Emotions on Decision Making.</u> Organizational Behavior and Human Decision Processes, 109(1), 1-8. (Working Paper Version)
- Gilbert, D. T., Morewedge, C. K., Risen, J. L., & Wilson, T. D. (2004). <u>Looking Forward to Looking Backward: The Misprediction of Regret.</u> Psychological Science, 15(5), 346-350. Copyright is by permission of the © American Psychological Society.

- Cryder, C. E., Lerner, J. S., Gross, J. J., & Dahl, R. E. (2008). <u>Misery is not Miserly: Sad and Self-focused Individuals Spend More.</u> Psychological Science, 19(6), 525-530. Copyright is by permission of the © American Psychological Society.
- McGraw, A. P., & Warren, C. (2010). <u>Benign Violations: Making Immoral Behavior Funny.</u> Psychological Science, 21(8), 1141-1149. Copyright is by permission of the © American Psychological Society.
- Helzer, E. G., & Pizarro, D. A. (2011). <u>Dirty Liberals! Reminders of Physical Cleanliness Influence Moral and Political Attitudes.</u> Psychological Science, 22(4), 517-522. Copyright is by permission of the © American Psychological Society.
- Xiao, E., Houser, D. & Smith, V. (2005). <u>Emotion Expression in Human Punishment Behavior.</u> PNAS, 102(20), 7398-7401.
- Cohen, J. D. (2005). <u>The Vulcanization of the Human Brain: A Neural Perspective on Interactions Between Cognition and Emotion.</u> The Journal of Economic Perspectives, 19(4), 3-24.
- Levav, J., & McGraw, A. P. (2009). <u>Emotional Accounting: How Feelings about Money Influence Consumer Choice</u>. Journal of Marketing Research, 46, 66-80. (Working Paper Version)
- Niedenthal, P. M. (2007). <u>Embodying Emotion.</u> Science, 316(5827), 1002-1005. (Free with registration.)
- Coates, John (2012, June 10). <u>The Biology of Bubble and Crash.</u> The New York Times.

# **Post-course Recommended Reading**



- Amir, O., Ariely, D., Cooke, A., Dunning, D., Epley, N., Gneezy, U., Koszegi, B., Lichtenstein, B., Mazar, N., Mullainathan, S., Prelec, D., Shafir, E. & Silva, J. (2005). Psychology, Behavioral Economics, and Public Policy. Marketing Letters, 16(3), 443-454. (Working Paper version.)
- Ariely, D. & Grüneisen, A. (2013). <u>How To Turn Consumers Green.</u> McKinsey on Society, Vol. 4.
- Just, D., Mancino, L., & Wansink, B. (2007). <u>Could Behavioral Economics Help Improve Diet Quality for Nutrition Assistance Program Participants?</u> USDA-ERS Economic Research Report, 43.
- 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), 1211-1254.
- McKenzie, C. R., Liersch, M. J., & Finkelstein, S. R. (2006). <u>Recommendations Implicit in Policy Defaults.</u> Psychological Science, 17(5), 414-420. Copyright is by permission of the © American Psychological Society.
- Timmer, C. P. (2010). <u>Behavioral Dimensions of Food Security.</u> PNAS, 109(31), 12315-12320.
- Loewenstein, G., Ubel, P (2010, July 14). <u>Economics Behaving Badly.</u> The New York Times.
- Tritch, T. (2007, February 14). <u>Helping People Help Themselves.</u> The New York Times.