OBJECTIVES AND METHOD

The objective of this course is to introduce students to Behavioral Economics and to the application of its concepts to Well-Being.

Behavioral Economics is the study of how individuals actually make decisions. Traditionally, economic theories have assumed that people are rational and always maximize "utility" (economic jargon that represents how much we like something). Behavioral Economics, in contrast, does not make the same assumption and uncovers several ways in which people's actual decisions cannot be explained by economic theories.

More than simply identifying biases and heuristics (i.e., mental shortcuts) in decision-making, behavioral economists also try to identify ways to remove or minimize those biases in order to help people make better decisions.

A direct implication is that behavioral economics can have a direct impact on individuals' well-being. In addition to that, many behavioral economists and psychologists are concerned with what is it that makes people happy.

Thus, this course will take the lessons about what makes people happy and how people make decisions and combine these lessons into an actionable plan to create a product/service designed to promote well-being.
PROGRAM

SESSION 1
Note: "How Using a Decision Journal Can Help You Make Better Decisions" is an optional reading. Day One is an app that can help keep a journal.

SESSION 2
- Libertarian Paternalism
- Could This Clever Cigarette Design Help You Quit Smoking?
- Scared of Self-Driving Cars? They’re a Lot Closer Than You Think
- Britain’s Ministry of Nudges
- Nest’s Plan to Stop Brownouts Before They Start

SESSION 3
- This Time With Feeling
- Your app makes me fat
- The History of Cognitive Overload
- Hooked: Building Habit-Forming Products

SESSION 4
- The Dark Side of Choice: When Choice Impairs Social Welfare
- Do Defaults Save Lives?
- You Can Determine Your Weight Based on What Food Is Visible In Your Kitchen
- Why You Should Put $19.05 on Your MetroCard to Outsmart the MTA
- Disney’s $1 Billion Bet on a Magical Wristband

SESSION 5
Practical Exercise
I’ll give you a mini-case. You’ll use what you’ve learned so far to design a solution.

SESSION 6
Preparation:
*Note: In our paper "The Wellbeing Paradox of Social Network Sites" I would say the first 2 studies are important to get the point.
- What to do on spring break. The role of predicted, on-line, and remembered experience in future choice.
- Does living in California make people happy. A focusing illusion in judgments of life satisfaction.
- A Wandering Mind is an Unhappy Mind
SESSION 7
- To do or to have? That is the question.
- A Wandering Mind is an Unhappy Mind
- If money doesn’t make you happy, then you probably aren’t spending it right

SESSION 8
- The Joneses
- The Wellbeing Paradox of Social Networking Sites: Maintaining Relationships and Collecting Unhappiness
- Why Your Kids Love Snapchat, and Why You Should Let Them

SESSION 9-10
- Final Project Presentations

EVALUATION METHOD

Students will be graded on class participation, online quizzes, and final group presentations.

Short online quizzes will test the comprehension of the concepts.

Participation is graded on frequency (in how many sessions do you participate - not how many times in a session), attendance, punctuality, engagement, and contribution quality. All students are expected to be prepared and to do the assigned readings before class.

In the last 2 sessions (double-session) groups will present the result of their project.

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<tr>
<th>Criteria</th>
<th>Score %</th>
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<tbody>
<tr>
<td>Group Presentation</td>
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<td>Class Participation</td>
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<td>Intermediate tests</td>
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Notes on the final project:

1. Groups will choose a product or service intended to promote well-being. Check with the professor before you commit to a product.
2. At the beginning of the last session, groups will hand-in a short report (up to 5 pages) explaining the product/service, how it promotes well-being, and how behavioral economics is used to produce the desired outcomes.
3. Groups will deliver a 15 minute presentation.
Projects will be graded on the following aspects:

1. Relevance (How important is the problem you’re trying to solve? E.g., an app that helps me buy things and have them delivered at home the same day may increase my well-being, but is not as important as an app that detects cancer).
2. Realism (Feasibility, usage of actual data, etc.)
3. Usage/understanding of Behavioral Economics (Are you using the concepts from the course? Are you using them in a creative/novel way?)
4. Quality of the presentation/report (Can you convince me with your presentation? Is your report readable and interesting?)