

BEPP 904: Experimental Economics

Wednesday 3:30-6:30pm in SHDH 116

University of Pennsylvania The Wharton School

Professor: Judd B. Kessler

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Office Hours: Wednesday 2-3:20 and by appointment in Vance 320

Week 1 (8/31): Introduction to Experiments

Week 2 (9/7): Other Regarding Preferences

Handbook Volume 2, Chapter 4

https://www.asc.ohio-state.edu/kagel.4/Other%20Regarding_All_2_12_13.pdf

Fehr, E. and Schmidt, K. (1999) "A theory of fairness, competition and cooperation," *Quarterly Journal of Economics*, 114, 817-868.

Bolton, G. and Ockenfels, A. (2000). "ERC: A theory of equity, reciprocity and competition," *American Economic Review*, 90, 166-193.

Fehr, E., Kirchsteiger, G., & Riedl, A. (1993). Does fairness prevent market clearing? An experimental investigation. *Quarterly Journal of Economics* 108(2), 437-459.

Week 3 (9/14): Motivated Behavior (Guest: Christine Exley, HBS)

Gino, F., Norton, M. I., & Weber, R. A. (2016). Motivated Bayesians: Feeling moral while acting egoistically. *Journal of Economic Perspectives*, 30(3), 189-212.

Bénabou, R., & Tirole, J. (2016). Mindful economics: The production, consumption, and value of beliefs. *Journal of Economic Perspectives*, 30(3), 141-64.

Dana, J., Weber, R. A., & Kuang, J. X. (2007). Exploiting moral wiggle room: experiments demonstrating an illusory preference for fairness. *Economic Theory*, 33(1), 67-80.

Exley, C. L. (2015). Excusing selfishness in charitable giving: The role of risk. *The Review of Economic Studies*, 83(2), 587-628.

Week 4 (9/21): Charitable Giving

Handbook Volume 2, Chapter 2

https://www.asc.ohio-state.edu/kagel.4/HEE-Vol2/Handbook_Vesterlund%20final_2014.pdf

Karlan, D., & List, J. A. (2007). Does price matter in charitable giving? Evidence from a large-scale natural field experiment. *American Economic Review*, 97(5), 1774-1793.

Kessler, J. B., & Milkman, K. L. (2016). Identity in charitable giving. *Management Science*, 64(2), 845-859.

Kessler, J. B. (2017). Announcements of support and public good provision. *American Economic Review*, 107(12), 3760-87.

Kessler, J. B., Milkman, K. L., & Zhang, C. Y. (2018). Getting the rich and powerful to give. *Management Science*, forthcoming.

Week 5 (9/28): Public Goods

****Assignment 1 Due in class****

Handbook Volume 1, Chapter 2

<http://www.its.caltech.edu/~jledyard/John's%20Papers/jl38.pdf>

Andreoni, J. (1995). Cooperation in public-goods experiments: kindness or confusion? *The American Economic Review*, 891-904.

Fischbacher, U., Gächter, S., & Fehr, E. (2001). Are people conditionally cooperative? Evidence from a public goods experiment. *Economics letters*, 71(3), 397-404.

Frey, B. S., & Meier, S. (2004). Social comparisons and pro-social behavior: Testing "conditional cooperation" in a field experiment. *American Economic Review*, 94(5), 1717-1722.

Kessler, J. B., & Leider, S. (2012). Norms and contracting. *Management Science*, 58(1), 62-77.

Week 6 (10/5): Individual Decision Making, Prospect Theory, Cognitive Limitations

Handbook Volume 1, Chapter 8

Gneezy, U., & Potters, J. (1997). An experiment on risk taking and evaluation periods. *Quarterly Journal of Economics*, 112(2), 631-645.

Augenblick, N., Niederle, M., & Sprenger, C. (2015). Working over time: Dynamic inconsistency in real effort tasks. *Quarterly Journal of Economics*, 130(3), 1067-1115.

Enke, B., & Zimmermann, F. (2017). Correlation neglect in belief formation. *The Review of Economic Studies*, 86(1), 313-332.

Week 7 (10/12): Preference Elicitation and Experimental Techniques (Guest: Kirby Nielsen, Caltech)

Brandts, J., & Charness, G. (2011). The strategy versus the direct-response method: a first survey of experimental comparisons. *Experimental Economics*, 14(3), 375-398.

Kessler J. B., Low, C., & Sullivan C. (2019) Incentivized Resume Rating: Eliciting Employer Preferences without Deception. *American Economic Review*, 109 (11), 3713-3744.

Week 8 (10/19): Large Scale RCTs and Partnering with Organizations for Research

Coffman, L. C., Featherstone, C. R., & Kessler, J. B. (2017). Can social information affect what job you choose and keep? *American Economic Journal: Applied Economics*, 9(1), 96-117.

Coffman, L. C., Conlon, J. J., Featherstone, C. R., & Kessler, J. B. (2018). Liquidity and Job Choice. *Working Paper*.

Week 9 (10/26): Nudges (Guest: Tatiana Homonoff, NYU)

Thaler, R. H. & Sunstein C. (2021). *Nudge: The Final Edition*

Allcott, H., & Kessler, J. (2019). The Welfare Effects of Nudges: A Case Study of Energy Use Social Comparisons. *American Economic Journal: Applied Economics*, 11(1), 236-276.

Week 10 (11/2): Market Design
****Assignment 2 due in class****

Handbook Volume 2, Chapter 5

<https://www.asc.ohio-state.edu/kagel.4/HEE-Vol2/Experiments%20in%20Market%20Design.June%202014.pdf>

Kessler, J. B., & Roth, A. E. (2012). Organ allocation policy and the decision to donate. *American Economic Review*, 102(5), 2018-47.

Kessler, J. B., & Roth, A. E. (2014). Loopholes undermine donation: An experiment motivated by an organ donation priority loophole in Israel. *Journal of Public Economics*, 114, 19-28.

Budish, E., & Kessler, J. B. (2018). *Bringing Real Market Participants' Real Preferences into the Lab: An Experiment that Changed the Course Allocation Mechanism at Wharton*. National Bureau of Economic Research.

Week 11 (11/9): Gender (Guest: Muriel Niederle, Stanford)

Handbook Volume 2, Chapter 8

https://www.asc.ohio-state.edu/kagel.4/HEE-Vol2/Niederle%20Gender%20--combined_final.pdf

Niederle, M., & Vesterlund, L. (2007). Do women shy away from competition? Do men compete too much? *Quarterly Journal of Economics*, 122(3), 1067-1101.

Coffman, Katherine. 2014. "Evidence on self-stereotyping and the contribution of ideas." *Quarterly Journal of Economics* 129 (4) 1625-60.

Babcock, Linda, Maria P. Recalde, Lise Vesterlund, and Laurie Weingart. 2017. "Gender Differences in Accepting and Receiving Requests for Tasks with Low Promotability." *American Economic Review* 107 (3), 714-47.

Week 12 (11/16): Debates within Experimental Economics I: Lab "vs." Field Experiments

Harrison, G. W., and J.A. List. (2004). "Field Experiments," *Journal of Economic Literature*, 42, 1009-1055.

Levitt, S. D. and J. List. (2007). "What do laboratory experiments measuring social preferences tell us about the real world?" *Journal of Economic Perspectives*, 21(2): pp. 153-174.

Kessler, J., & Vesterlund, L. (2015). *The external validity of laboratory experiments: The misleading emphasis on quantitative effects* (Vol. 18, pp. 392-405). Oxford, UK: Oxford University Press.

De Quidt, J., Haushofer, J., & Roth, C. (2018). Measuring and bounding experimenter demand. *American Economic Review*, 108(11), 3266-3302.

Thanksgiving Break (11/23)

Week 13 (11/30) Debates within Experimental Economics II: Subject Populations and Replication

Handbook Volume 2, Chapter 7

https://www.asc.ohio-state.edu/kagel.4/HEE-Vol2/Frechete_Subj_pop.pdf

Camerer, C. F., Dreber, A., Forsell, E., Ho, T. H., Huber, J., Johannesson, M., ... & Heikensten, E. (2016). Evaluating replicability of laboratory experiments in economics. *Science*, 351(6280), 1433-1436.

Kessler, J. B., & Meier, S. (2014). Learning from (failed) replications: Cognitive load manipulations and charitable giving. *Journal of Economic Behavior & Organization*, 102, 10-13.

Fréchette, Guillaume R., Kim Sarnoff, and Leeat Yariv “Experimental Economics: Past and Future”

Week 14 (12/7): Presentation of Final Projects

****Final Project due in class****