| **PROFESSOR:** |   |
| --- | --- |
| **OFFICE LOCATION:** |   |
| **OFFICE HOURS:** |   |
| **PHONE NUMBER:** |   |
| **E-MAIL:** |   |
| **SEMESTER:** |   |
| **DELIVERY METHOD:** |   |

# COURSE NUMBER AND TITLE, CATALOG DESCRIPTION, CREDITS:

## ECO 2100 Introduction to Behavioral Economics (3 Credits)

This transdisciplinary course incorporates insights from research on human behavior to show how individuals and organizations can make better decisions in areas such as marketing, finance, and government policy. Students will develop a basic understanding of (a) the rational actor model, (b) modifications to that model that incorporate psychological research on human judgment and decision-making, and (c) implications of theoretical concepts for real-world decision-making.

## PREREQUISITES FOR THIS COURSE:

ECO 2023 Principles of Microeconomics

### CO-REQUISITES FOR THIS COURSE:

None

## GENERAL COURSE INFORMATION:

Topic Outline

Neoclassical rational choice theory

Complementarity of neoclassical and behavioral economics

Impact of context and framing on economic decisions

Prospect theory and loss aversion

Influence of cultural differences and social roles on decision-making

Individual differences in motivation, emotion, and delay of gratification

Cognitive biases, including mental heuristics

Cognitive limitations, including mental accounting

Time inconsistency

Applications of behavioral economics such as framing in marketing and nudging in public policy making

## ALL COURSES AT FLORIDA SOUTHWESTERN STATE COLLEGE CONTRIBUTE TO THE GENERAL EDUCATION PROGRAM BY MEETING ONE OR MORE OF THE FOLLOWING GENERAL EDUCATION COMPETENCIES:

**C**ommunicate clearly in a variety of modes and media.

**R**esearch and examine academic and non-academic information, resources, and evidence.

**E**valuate and utilize mathematical principles, technology, scientific and quantitative data.

**A**nalyze and create individual and collaborative works of art, literature, and performance.

**T**hink critically about questions to yield meaning and value.

**I**nvestigate and engage in the transdisciplinary applications of research, learning, and knowledge.

**V**isualize and engage the world from different historical, social, religious, and cultural approaches.

**E**ngage meanings of active citizenship in one’s community, nation, and the world.

A. General Education Competencies and Course Outcomes

1. Listed here are the course outcomes/objectives which play an integral part in the student’s general education along with the general education competency they support.

 General Education Competency: Think

 Using psychological principles and theories, explain and illustrate how cognition and emotion shape judgement and choice in decision making.

 Contrast and compare neoclassical and behavioral economics, particularly in terms of rationality, significance of context, capacity to make mental calculations, and the ability to evaluate future options and possibilities, and the pursuit of self-interest.

 Illustrate how subconscious mental heuristics and cognitive biases can lead to systematic error in human behavior: economic decision making, including confirmation bias, self-serving bias, overconfidence bias, and the overconfidence effect.

 Illustrate how changes in the way options are presented (contextual information) can reframe choices and change the perception of economic decisions as gains or losses relative to the status quo.

 Assess the use of nudging by governments to reduce pollution, increase participation in programs, and improve decisions about health, among other initiatives to improve social outcomes, in lieu of taxes and regulations.

 Illustrate how status quo bias can affect consumer behavior and determine the effectiveness of government policies.

2. Listed here are the course outcomes/objectives which play a supplemental part in the student’s general education along with the general education competency they support.

General Education Competency: Investigate

 Discuss the kinds of systematic decision errors people frequently make as consumers, investors, and businesspeople.

 Discuss and provide examples of common heuristics that people employ to save mental energy, including the recognition, representatives, anchoring and adjustment, and the affect heuristic.

 Provide examples of status quo bias and discuss how brand loyalty and other default options affect consumer decisions, marketing strategies, and the outcomes of public programs.

 Discuss how nudging techniques can be included in the tool kit of public policies governments can use to change personal and decisions and social outcomes.

 Discuss the major criticisms of behavioral economics and the responses to these criticisms.B. Other Course Objectives/Standards

 Explain how individual traits, cultural differences, and social roles influence how individuals perceive, comprehend, and use information.

 Explain the meaning of rationality and other major assumptions of neoclassical rational choice theory.

 Explain Prospect Theory and how “loss aversion” can influence investment decisions and the functioning of financial markets.

 Explain the meaning of time inconsistency and how it can cause self-control problems and lead to low savings rates.

## DISTRICT-WIDE POLICIES:

### PROGRAMS FOR STUDENTS WITH DISABILITIES

Florida SouthWestern State College, in accordance with the Americans with Disabilities Act and the College’s guiding principles, offers students with documented disabilities programs to equalize access to the educational process. Students needing to request an accommodation in this class due to a disability, or who suspect that their academic performance is affected by a disability should contact the Office of Adaptive Services at the nearest campus. The office locations and telephone numbers for the Office of Adaptive Services at each campus can be found at <https://www.fsw.edu/adaptiveservices>.

### REPORTING TITLE IX VIOLATIONS

Florida SouthWestern State College, in accordance with Title IX and the Violence Against Women Act, has established a set of procedures for reporting and investigating Title IX violations including sexual misconduct. Students who need to report an incident or need to receive support regarding an incident should contact the Equity Officer at equity@fsw.edu. Incoming students are encouraged to participate in the Sexual Violence Prevention training offered online. Additional information and resources can be found on the College’s website at <https://www.fsw.edu/sexualassault>.

## REQUIREMENTS FOR THE STUDENTS:

List specific course assessments such as class participation, tests, homework assignments, make-up procedures, etc.

## ATTENDANCE POLICY:

The professor’s specific policy concerning absence. (The College policy on attendance is in the Catalog and defers to the professor.)

## GRADING POLICY:

Include numerical ranges for letter grades; the following is a range commonly used by many faculty:

| **Grade Percent** | **Letter Grade** |
| --- | --- |
| 90 - 100 | A |
| 80 - 89 | B |
| 70 - 79 | C |
| 60 - 69 | D |
| Below 60 | F |

(Note: The “incomplete” grade [“I”] should be given only when unusual circumstances warrant. An “incomplete” is not a substitute for a “D,” “F,” or “W.” Refer to the policy on “incomplete grades.)

## REQUIRED COURSE MATERIALS:

(In correct bibliographic format.)

## RESERVED MATERIALS FOR THE COURSE:

Other special learning resources.

## CLASS SCHEDULE:

This section includes assignments for each class meeting or unit, along with scheduled Library activities and other scheduled support, including scheduled tests.

## ANY OTHER INFORMATION OR CLASS PROCEDURES OR POLICIES:

(Which would be useful to the students in the class.)