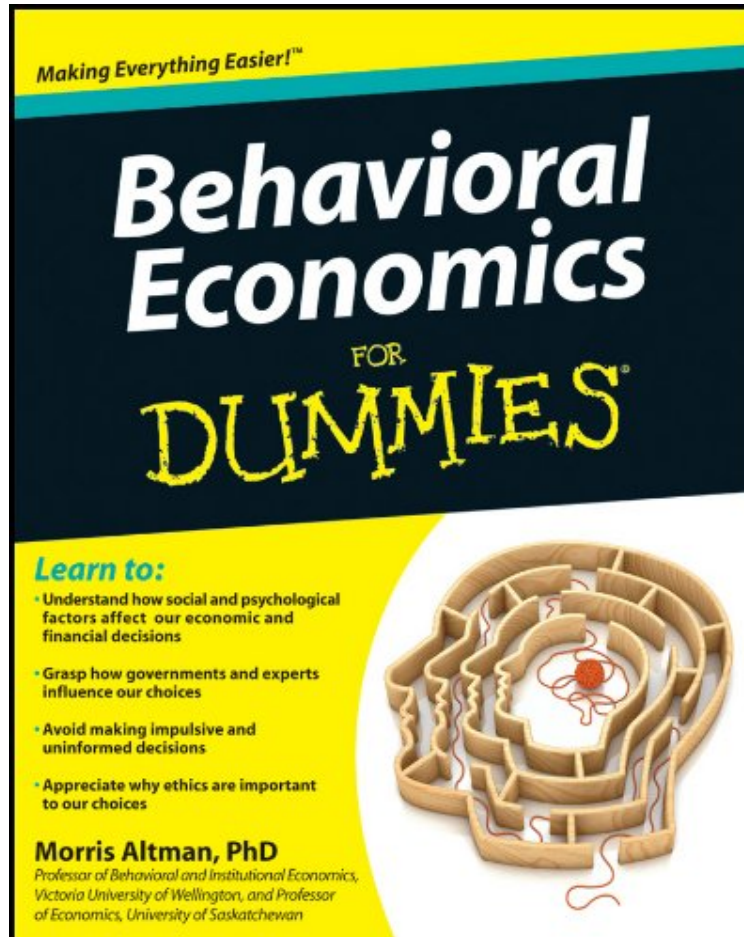


Behavioral Economics For Dummies

Morris Altman

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Morris Altman : Behavioral Economics For Dummies before purchasing it in order to gage whether or not it would be worth my time, and all praised Behavioral Economics For Dummies:

0 of 0 people found the following review helpful. Five StarsBy Lisa MidkiffDid it's job.5 of 6 people found the following review helpful. A Good Place to Start in Understanding the Pitfalls of Decision-makingBy Herbert GintisThere has been a revolution in the past thirty years in our understanding of how people make decisions and what the range of goals people generally have in deciding how to act. The most important two findings are (a) people sometimes use faulty reasoning in making financial decisions and (b) people are generally both altruistic and vindictive in dealing with others and social issues, rather than being the self-interested actor of traditional economic theory. The evidence for these and other principles of human behavior come from experimental economics and psychology in the laboratory, as well as field work exploring how people make decisions in real-world contexts. Like most "Dummies" books, this books is extremely elementary and highly accessible. Some readers have complained that the book is college-level material, and that may be true. But it is still completely accessible for someone with no college math background and no previous knowledge of decision theory or psychology. This book is presented as a

"self-help" book rather than a piece of scientific journalism. It is actually both. If you want to make better decisions, especially financial, this book plus Malkiel's classic *A Random Walk Down Wall Street* might just do the job for you. 3 of 4 people found the following review helpful. The Best Introduction to the Field By Hugh H. Schwartz *Behavioral Economics for Dummies* is perhaps the best introduction to the subject available for general readers. It is up-to-date and the numerous titles and subtitles make it easy to turn to topics of special interest. The section at the end on the lessons of behavioral economics is quite useful, though more might be said about the failure of behavioral economics to be taken up by so many economists, the critiques of the approach, the limited understanding of major dislocations of the economy such as during 2008-2013, and the limited ability of behavioral economists to contribute much to understanding what happened during that period and how to remedy adverse macroeconomic situations. Many general readers may find the book a little too long. At the same time, a few additional words could have been added about the potential usefulness of an approach that attempts to ask decision makers why they made the decisions that they did--and that attempts to observe the decisionmaking--(rather than relying so much on the findings of experiments in a laboratory). Hugh Schwartz, author of *A Guide to Behavioral Economics*

A guide to the study of how and why you really make financial decisions While classical economics is based on the notion that people act with rational self-interest, many key money decisions--like splurging on an expensive watch--can seem far from rational. The field of behavioral economics sheds light on the many subtle and not-so-subtle factors that contribute to our financial and purchasing choices. And in *Behavioral Economics For Dummies*, readers will learn how social and psychological factors, such as instinctual behavior patterns, social pressure, and mental framing, can dramatically affect our day-to-day decision-making and financial choices. Based on psychology and rooted in real-world examples, *Behavioral Economics For Dummies* offers the sort of insights designed to help investors avoid impulsive mistakes, companies understand the mechanisms behind individual choices, and governments and nonprofits make public decisions. A friendly introduction to the study of how and why people really make financial decisions The author is a professor of behavioral and institutional economics at Victoria University An essential component to improving your financial decision-making (and even to understanding current events), *Behavioral Economics For Dummies* is important for just about anyone who has a bank account and is interested in why--and when--they spend money.

From the Back Cover The guide to understanding why people really make economic and financial decisions The field of behavioral economics sheds light on the many subtle and not-so-subtle factors that contribute to financial and purchasing choices. This friendly guide explores how social and psychological factors, such as instinctual behavior patterns, social pressure, and mental framing, can dramatically affect our day-to-day decision making and financial choices. Based on psychology and sociology and rooted in real-world examples, *Behavioral Economics For Dummies* offers the sort of insights designed to help investors avoid impulsive mistakes, companies understand the mechanisms behind individual choices, and governments and nonprofits make public decisions. Make realistic assumptions for economic analysis -- investigate the assumptions conventional economics makes, and discover how behavioral economists introduce social, psychological, and cultural considerations Explore the relationship between the brain and economics -- understand how human behavior and surroundings affect economic phenomena Examine the role of free choice in economic decision making -- review the conditions that are necessary in order for people to make choices that reflect their true preferences, given the constraints they face Get happy -- recognize that factors other than wealth and money are critically important to a person's happiness, as defined by behavioral economics Learn to: Understand how social and psychological factors affect our economic and financial decisions Grasp how governments and experts influence our choices Avoid making impulsive and uninformed decisions Appreciate why ethics are important to our choices Open the book and find: The many subtle factors that contribute to our financial and purchasing choices Why people really make financial decisions Real-world examples of how behavioral economics affects our lives What social and psychological factors affect our decision making How to use behavioral economics to be happier Why government policies affect the economy Helpful consumer tips Go to Dummies.com for videos, step-by-step examples, how-to articles, or to shop! About the Author Morris Altman, PhD, is a professor of behavioral economics at Victoria University of Wellington in New Zealand and a professor of economics at the University of Saskatchewan in Canada. He is on the board of the Society for the Advancement of Behavioral Economics and is a former president of that organization. He also edited the *Handbook of Contemporary Behavioral Economics*.