

C O N T E N T S

<i>LIST OF CONTRIBUTORS</i>	xi
<i>PREFACE</i>	xxi
<i>ACKNOWLEDGMENTS</i>	xxv
<i>PART ONE: INTRODUCTION</i>	1
CHAPTER ONE Behavioral Economics: Past, Present, Future Colin F. Camerer and George Loewenstein	3
<i>PART TWO: BASIC TOPICS</i>	53
REFERENCE-DEPENDENCE AND LOSS-AVERSION	
CHAPTER TWO Experimental Tests of the Endowment Effect and the Coase Theorem Daniel Kahneman, Jack L. Knetsch, and Richard H. Thaler	55
CHAPTER THREE Mental Accounting Matters Richard H. Thaler	75
PREFERENCES OVER RISKY AND UNCERTAIN OUTCOMES	
CHAPTER FOUR Developments in Nonexpected-Utility Theory: The Hunt for a Descriptive Theory of Choice under Risk Chris Starmer	104
CHAPTER FIVE Prospect Theory in the Wild: Evidence from the Field Colin F. Camerer	148
INTERTEMPORAL CHOICE	
CHAPTER SIX Time Discounting and Time Preference: A Critical Review Shane Frederick, George Loewenstein, and Ted O'Donoghue	162
CHAPTER SEVEN Doing It Now or Later Ted O'Donoghue and Matthew Rabin	223

FAIRNESS AND SOCIAL PREFERENCES

CHAPTER EIGHT

- Fairness as a Constraint on Profit Seeking: Entitlements in the Market
Daniel Kahneman, Jack L. Knetsch, and Richard H. Thaler 252

CHAPTER NINE

- A Theory of Fairness, Competition, and Cooperation
Ernst Fehr and Klaus M. Schmidt 271

CHAPTER TEN

- Incorporating Fairness into Game Theory and Economics
Matthew Rabin 297

CHAPTER ELEVEN

- Explaining Bargaining Impasse: The Role of Self-Serving Biases
Linda Babcock and George Loewenstein 326

GAME THEORY

CHAPTER TWELVE

- Theory and Experiment in the Analysis of Strategic Interaction
Vincent P. Crawford 344

CHAPTER THIRTEEN

- Behavioral Game Theory: Predicting Human Behavior in
Strategic Situations
Colin F. Camerer 374

PART THREE: APPLICATIONS 393

MACROECONOMICS AND SAVINGS

CHAPTER FOURTEEN

- Mental Accounting, Saving, and Self-Control
Hersh M. Shefrin and Richard H. Thaler 395

CHAPTER FIFTEEN

- Golden Eggs and Hyperbolic Discounting
David Laibson 429

CHAPTER SIXTEEN

- The Fair Wage-Effort Hypothesis and Unemployment
George A. Akerlof and Janet L. Yellen 458

CHAPTER SEVENTEEN

- Money Illusion
Eldar Shafir, Peter Diamond, and Amos Tversky 483

LABOR ECONOMICS

CHAPTER EIGHTEEN

- Fairness and Retaliation: The Economics of Reciprocity
Ernst Fehr and Simon Gächter 510

CHAPTER NINETEEN

- Labor Supply of New York City Cab Drivers: One Day at a Time
Colin F. Camerer, Linda Babcock, George Loewenstein,
and Richard H. Thaler 533

CHAPTER TWENTY

- Wages, Seniority, and the Demand for Rising Consumption Profiles
Robert H. Frank and Robert M. Hutchens 548

CHAPTER TWENTY-ONE

- Incentives, Punishment, and Behavior
Uri Gneezy and Aldo Rustichini 572

FINANCE

CHAPTER TWENTY-TWO

- Myopic Loss-Aversion and the Equity Premium Puzzle
Shlomo Benartzi and Richard H. Thaler 590

CHAPTER TWENTY-THREE

- Do Investors Trade Too Much?
Terrance Odean 606

CHAPTER TWENTY-FOUR

- Loss-Aversion and Seller Behavior: Evidence from the Housing Market
David Genesove and Christopher Mayer 633

PART FOUR: NEW FOUNDATIONS 657

CHAPTER TWENTY-FIVE

- Case-Based Decision Theory
Itzhak Gilboa and David Schmeidler 659

CHAPTER TWENTY-SIX

- Out of Control: Visceral Influences on Behavior
George Loewenstein 689

INDEX 725