

**UNIVERSITY OF PENNSYLVANIA**  
**SCHOOL OF SOCIAL POLICY & PRACTICE**  
**MASTER OF SCIENCE IN SOCIAL POLICY**  
**MSSP 706: Behavioral Economics and Social Policy Design**  
**Spring 2021**

**Course Meeting**

Mondays, 8 am to 9:30 am EST via Zoom (starting on Jan. 25th)

**Instructor**

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Office Hours: Meetings via Zoom by appointment; please email me for a day and time

**How to contact your Professor**

Do not hesitate to reach out for help or to just “talk shop.” I am here to help you and happy to do so. The best way to reach me is via email, either directly at my university address or through the Canvas mail feature; they both go to the same place. I only ask that you first make a good faith effort to track down answers to housekeeping questions before reaching out. Please check the syllabus and course announcements to see if your question is addressed there. This helps me maximize the time available to help everyone with course materials.

When asking for assistance with materials, briefly summarize how you are thinking about the issue/question. For example, if you selected answer A but answer B was correct, explain why you think otherwise. It allows me to see your thinking, which, in turn, lets me more quickly get you back on track. Putting your thoughts down in writing is also useful because it potentially allows you to see where you are getting off track and self-correct.

Please be sure your emails are professionally drafted. Communications naturally become more casual in a back and forth, but a good habit to develop is including a greeting, followed by a clearly written message, and closed with a salutation. Typos happen, trust me. But the reader can easily overcome them when the structure of the message is well thought out. See the Writing Expectations on page two.

*\* I usually step away from the computer on Sundays. If I am on a computer and see an email, I will respond. Typically, however, I will respond to late Saturday/Sunday emails on Monday.*

## Course Description

This course will introduce students to the field of behavioral economics (BE) and its application to improving the design of social policies concerning health, education, discrimination, poverty, and inequality, among others. BE extends the neoclassical economic theory of how the "rational" economic individual - often referred to as homo economicus - makes choices to include insights from psychology, biology, anthropology, sociology and other fields in order to increase the explanatory power of economic theories. While the neoclassical theory is still a useful tool for any social scientist to possess, BE, in the words of one of the fields founding fathers, Richard Thaler (2015), "is more interesting and more fun than regular economics. It is the un-dismal science."

The course is organized into four sections:

- Introduction and Overview of Neoclassical and BE
- Essentials of BE
- Application of BE to Social Policy Design
- Ethical Considerations of Using BE to Design Policies

## Educational Objectives

By the end of the semester, students will be able to:

- Explain the fundamental differences between the neoclassical and behavioral economic theories
- Explain how biases and heuristics impact individuals' decisions
- Apply BE to inform discussions over the design of social policies
- Summarize the key points of contention in the debate over using BE to design policy

## Course Requirements and Expectations

***Attendance and Live Session Etiquette:*** Students are expected to attend all live sessions, be prepared to discuss assigned readings, and participate fully in class activities. Cell phones, TVs, and other electronic devices should be turned off during class. The instructor should be advised in advance of anticipated absences and students may be expected to complete alternative assignments. **Your camera must be on to be credited with attendance.** Please approach our live sessions as you would an in-person class.

Students may miss one live session for any reason with no penalty. **However**, you must let me know **prior** to the live session via email that you will be absent and make arrangements to complete the reading/video quiz for that week. The penalty for missing a class is a four percentage points deduction from your final course grade.

***Prohibition on Sharing/Distributing Recordings:***

To facilitate access for all class members, live sessions, including your participation, are being recorded and the recordings will be made available to the class, for the duration of this course. These recordings, as well as previously recorded lectures and other course materials, are made available solely for your personal, educational use and may not be shared, copied or redistributed without the permission of Penn and the instructor. You are also not allowed to record class sessions yourselves. Unauthorized sharing or recording is a violation of the Code of Academic Integrity

**Writing Expectations:** Writing is an essential professional skill for policy analysis. If others can not understand your analysis then they are less likely to consider it when making a decision. Even the best writers have room for improvement. But it is expected that all writing will be of graduate school quality, this includes email communications. Your writing will improve over the course of the semester, but this is not a writing course per se. I strongly encourage you to work with [Penn's Marks Family Writing Center](#) this semester before submitting your assignments.

**Late Work Policy:** Late submissions will be subject to a 10 percentage point deduction per day late unless waived by me. I will require documentation for any *valid* reason for a late submission (e.g. sickness, death in the family, your house burns down, etc.).

**General Professional Conduct Policy:** It is expected that students will conduct themselves professionally at all times during the semester. This includes in communications with the instructor and classmates, as well as during live sessions (see *Live Session Etiquette* above). Conduct that is unprofessional will result in the student's final course grade being reduced 1 percentage point reduction per occurrence. When considering this policy, please note the prohibition on the use of cell phones, TVs, and other electronic devices mentioned in the *Live Session Etiquette* section.

**Grading Scale:** The following scale will be used to determine final course grades.

- A 94 - 100**
- A- 90 - 93**
- B+ 87 - 89**
- B 84 - 86**
- B- 80 - 83**
- C 70 - 79**
- D 60 - 69**
- F Below 60**

Final course grades are rounded to the nearest whole number. This means, for example, that an 89.49 will be rounded to 89 (B+), and an 89.50 will be rounded to 90 (A-). This rounding will only occur for the final grade, and not individual assignments.

**Academic Integrity**

I take academic honesty very seriously and **will** report any violations. All work completed by students, whether in class assignments or formal assignments, must be the student's own work. Papers will be checked using electronic plagiarism detection software to assure that student's have not taken work off the internet or directly from text books. Students must adhere to the University of Pennsylvania's [Code of Academic Integrity](#).

Care should be taken to avoid academic integrity violations, including plagiarism, fabrication of information, and multiple submissions (see descriptions below). Students who engage in any of these actions will be referred to the Office of Student Conduct, which investigates and decides on sanctions in cases of academic dishonesty.

1. Plagiarism: using the ideas, data, or language of another person or source without specific or proper acknowledgment. Example: copying, in part or in its entirety, another person's paper, article, or web-based material and submitting it for an assignment; using someone else's ideas without attribution; not using quotation marks where appropriate; etc.
2. Fabrication: submitting contrived or altered information in any academic exercise. Example: making up data or statistics, citing nonexistent articles, contriving sources, etc.
3. Multiple submissions: submitting, without prior permission, any work submitted to fulfill another academic requirement.
4. It is students' responsibility to consult the instructor if they are unsure about whether something constitutes a violation of the Code of Academic Integrity.

### **Required Texts**

Kahneman, D. (2013). [Thinking, Fast and Slow](#), 1st ed. New York, NY, Farrar, Straus and Giroux.

Thaler, R.H. and Sunstein, C.R. (2009). [Nudge: Improving Decisions About Health, Wealth, and Happiness, Revised and Expanded Edition](#). New York, NY, Penguin Books

Mullainathan, S and Shafir, E. (2014). [Scarcity: The New Science of Having Less and How It Defines Our Lives](#). New York, NY, Picador.

Will be reviewing a fair amount of outside readings. Any readings outside of the textbooks will be posted to Canvas in the module for that week.

**Assignment Overview and Grading Breakdown:** Your course grade will be determined as the weighted average of six assignments:

- Assignment 1 – Reading/Video Quizzes (15%)
- Assignment 2 – Midterm Examination (25%)
- Assignment 3 – Individual Student Presentations (25%)
- Assignment 4 – Team Brief (15%) and Presentation (10%)
- Assignment 5 - Participation (10%)

**Assignment 1 – Reading/Video Quizzes:** The objective of the reading/video quizzes is to provide an incentive to read, watch, and digest selected materials throughout the semester. The quizzes are not intended to be difficult. If you read/watch the assigned materials and take notes you should do well. *These will be administered in Canvas during the first 10 minutes of each live session.* Therefore, please have access to Canvas when we meet. The quizzes will be open note/book, but given the time limit, notes may be of limited use during the quiz, but they will help to focus your attention while reading/watching. The weight of each quiz is determined by the number of questions. A quiz with two questions is worth twice as much as a quiz with one question. Another way to look at this is that each quiz question throughout the semester is worth exactly the same amount. Consider this when making optimal trade-off decisions this semester. Of course it is always beneficial for your grade to complete a quiz. But perhaps there is a quiz in another class that would impact that grade more. Or perhaps that call with your best friend is more important than the hour of reading needed to complete a 1 point quiz.

**Assignment 2 - Midterm Examination:** The objective of this assignment is to encourage you to think a little deeper about the material we will cover in the first half of the semester. The exam may be a combination of multiple choice, short answer, and fill in the blank. The exam will be administered via Canvas. More information will be provided via the course site.

**Assignment 3 – Individual Student Presentation:**

- Students will present an application of behavioral economics to the design of a social policy problem during a live session.
- Presentations should be approximately 10 minutes and are not to exceed 15 minute.
- Accompanying slides must be provided.
- Students have discretion over both the topic and source for the topic (published article, think tank piece, book, actual policy, proposed policy, etc.) that they present. *However, you must clear the presentation topic with the me.*
- There will be two student presentations per live session starting in the second half of the semester. Presentation slots and topics will be allocated on a "first volunteered, first scheduled" policy.

**Assignment 4– Team Brief and Presentation:**

- Teams of two to three students will draft a policy brief that develops an original policy response (or substantively refines an existing policy response) that relies on the insights of behavioral economics to address a social problem or issue.
- Teams will present their briefs to the class during our final live meeting of the semester. Presentations are not to exceed 10 minutes and must include accompanying slides.
- The objective of the social problem part of this assignment is three-fold. First, to provide practice applying behavioral economics to policy design/refinement. Second, provide an opportunity to see how others are applying the tools we are learning. Third, provide practice writing and presenting.
- The page limit is two pages, *excluding* footnotes and any data tables or graphs. *The brief must be written in the third person, and in an independent, objective, and nonpartisan tone; you are not an advocate in this exercise. Any factual assertions or claims should*

*be accompanied by evidence or a theoretical explanation.* Please see the course Canvas page for more information on this assignment.

### **Assignment 5– Participation**

- Students are expected to actively participate in class discussions, particularly during the individual and team presentations.
- Each student starts with a default of 70% for participation.
- The remaining 30% of your participation grade will be determined equally (i.e., 10% each) by (1) participation in the class live sessions generally - asking questions, providing feedback, commenting, volunteering to present, etc. (2) asking thoughtful and substantive questions during the individual presentations or, otherwise engaging in the presentation discussion in a meaningful way - e.g., providing feedback/commentary on another student's question, and (3) asking thoughtful and substantive questions during the individual presentations team presentations, or, otherwise engaging in the presentation discussion in a meaningful way.

*A comment about word, page, and time limits.* More is not always better. Consumers of policy products often need clear, concise, complete, and accurately information quickly. Being able to communicate efficiently, both in writing and orally, is a skill set you only obtain by practice; you will get plenty of practice this semester.

*Assignment Submissions and Formatting:* All assignments will be submitted through the course Canvas site. Files must be in Word or Google Doc format. Papers should be typed in 12-point font, 1.5 line spacing, and 1” margins. Assignments must be written in the third person, in an independent, objective, and nonpartisan tone. All citations should be made using footnotes. Any of the major style guides may be used to format your footnote citation. Page and word limits will be strictly enforced.

### **Class Schedule and Required Readings**

Please see the [weekly modules](#) topics and assigned readings.