

BSc Seminar: Behavioral Economics in Action /

BSc Seminar: Labour Economics

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Content

Why do we pay for subscriptions we barely use? Why do we often eat unhealthy food, exercise too little, or procrastinate on important tasks? Why do individuals fail to claim social benefits they are entitled to? Should firms make co-workers' wages transparent, or keep them secret? How can cities reduce littering without simply raising fines? Do "free trials" help consumers, or do they exploit them?

Over the past decades, psychologists and economists have gained a deeper understanding of what motivates people's choices. Research in behavioral economics shows that individual choices are shaped not only by incentives and constraints, but also by limited attention, self-control problems, social preferences, and the behavior of others. These insights have fundamentally changed how economists think about consumer behavior, management practices, and public policy.

This seminar explores how insights from behavioral economics can be applied to real-world problems in consumer decision-making, organizations, and public policy. Students work on a concrete policy or management question, engage with relevant empirical research in behavioral economics, identify the key psychological mechanisms at play, and develop a well-founded proposal to address the problem.

The seminar is highly application-oriented and interactive. It is particularly well suited for students who are interested in using behavioral economics to design better policies, smarter organizations, or more effective interventions. Students are encouraged to develop project ideas that can later be extended, refined, and tested in their Bachelor's thesis.

Course Topics and Preliminary Reading List

A detailed reading list will be provided in the beginning of the course. The following overview article provides a valuable introduction to the course topics:

- Thaler, Richard H. "Behavioral Economics: Past, present, and future." *American Economic Review* 106.7 (2016): 1577-1600.
<https://pubs.aeaweb.org/doi/pdf/10.1257/aer.106.7.1577>

Prerequisites

The seminar does not require specific previous knowledge of behavioral economics. Students should have a sound knowledge of microeconomic theory and econometrics (basic courses taught at the B.Sc. level). It is also recommended to familiarize yourself with the content of the key qualification “Wissenschaftliches Arbeiten” in advance.

Course Procedures and Timeline (Tentative)

- **Block 1: Introduction.** The seminar starts with an introductory meeting in the first week of the semester (April 13-17) and 1-2 lectures in the first two weeks of the semester. These lectures provide an overview of the required theoretical and empirical methods.
- **Block 2: Writing Period.** Students work independently on their seminar paper (max. 10-15 pages) over a period of 4 weeks. Individual appointments for consultation will be available. Tentative deadline for submission of the seminar paper: May 24, 2026.
- **Block 3: Seminar Presentations.** The seminar concludes with a workshop (block seminar) where students present their seminar papers. Each student will also act as a discussant for one of the other workshop presentations. Attendance for the full workshop is mandatory. The planned date for the workshop is two weeks after the paper submission (08-12 June).

Seminar Paper

Students will be assigned a specific policy or management question, along with a baseline research paper studying the question. Building on this, students will write a seminar paper that

- critically assesses the underlying policy or management problem,
- identifies and explains the key behavioral mechanisms at play, and
- develops a plausible intervention to address the problem.

The seminar paper should also include a brief implementation plan and discuss the expected effects and potential unintended consequences of the proposed intervention.

Topic Assignment

Seminar topics will be assigned in the introductory meeting. Prior to the first meeting, participants will receive an email with an overview of possible topics.

Examination and Grading

Grading is based on the seminar paper (max. 10–15 pages) and the workshop presentation (approx. 20 minutes), weighted 3:2 (paper 60%, presentation 40%).