

# ... And Why What We Want Bugs Economists

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While evolutionary psychologists hack through the jungle toward economics, a small group of "behavioral economists," in turn, are clearing a path toward psychology. At times, the two groups meet in the thicket.

The article, "[Why We Want What We Want](#)," discusses how evolutionary psychologists begin with a rationale (i.e., people act in ways that tend to perpetuate their own DNA); then they hunt for behavioral patterns consistent with this rationale but inconsistent with traditional economic models. Behavioral economists, in contrast, begin with observations (i.e., people act in ways that conflict with traditional economic models) and then hunt for rationales consistent with these observations.

Two recent New York Times articles describe how behavioral economists search for anomalies in economic behavior. In "Following the Money, but Also the Mind: Some Economists Call Behavior a Key," (*NYT*, 2/11/01, Money and Business section, p. 1), Louis Uchitelle describes efforts among economists to explain the patterns of boom and bust common to investment markets. In the same vein, Roger Lowenstein's "Exuberance Is Rational: Or at least human" (*NYT Magazine*, 2/11/01, p. 68) takes its title from Fed Chairman Alan Greenspan's famous remark about "irrational exuberance" among stock market investors. The article delves into the behaviorist slant on saving and investment patterns and on apparent conflicts with traditional economic assumptions that behavioral economists see in everyday life. For example:

- Why will a homeowner cut his own lawn to save \$10, but will not mow his neighbor's lawn to earn \$10? In a simple economic model, the two acts appear to be identical opportunities to choose between income and leisure, but the homeowner's choices seem inconsistent.
- Economics generally presumes that people prefer more choices to fewer choices. Why, then, will rational people thank you for removing a bowl of tempting, fat rich cashews from their sight—thereby depriving them of a consumption choice?
- Why will people travel across town to save \$10 on a clock radio or sweater but not to save \$10 on a wide-screen TV or a car?

A teacher or student interested in exploring behavioral economics can get a good roadmap from Uchitelle's and Lowenstein's articles. Both offer vignettes of economic anomalies and of the anomalous economists who study them. (Behavioral economics is still highly suspect among many economists.) For a similar overview of the economic applications of evolutionary psychology, readers can turn to the economics sections of Steven Pinker's *The Way the Mind Works*, which delves into many of the same anomalies described in the *New York Times* articles.