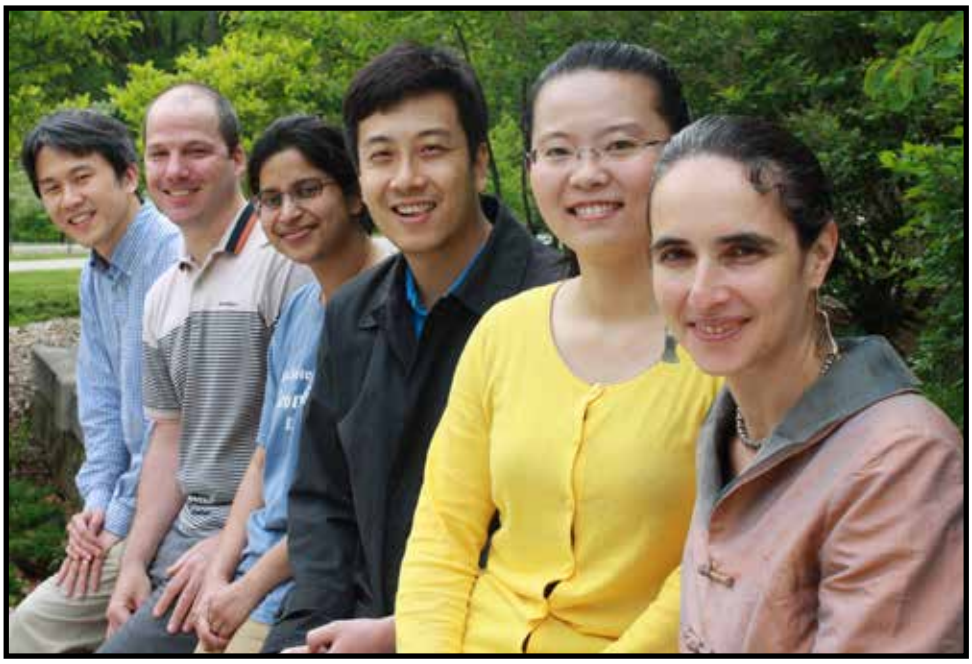
Behavioral/experimental economics "comes of age" in the department

"Passionate" discipline for Rosenblat helps build meaningful student research

Story and photo, Kristin Senty

After five years playing a key role in developing the discipline of behavioral/experimental economics at Iowa State, Associate Professor Tanya Rosenblat is at a place where she's seeing the fruits of her labor.

Rosenblat is engaged in her own research around social networks. She has a growing and enthusiastic group of graduate students working on unique, cross-disciplinary projects. And recently three of her job market candidates landed coveted positions where they can continue to develop in the behavioral/experimental discipline and cultivate students of their own.



Tanya Rosenblat, far right, is "proud" of the group of graduate students who study behavioral/experimental economics with her. They include, left to right, Younjun Kim, Juan Murguia, Tushi Baul, Qiqi Wang, and Fanzheng Yang.

"Passionate" and "fun" are words that she uses to describe her feelings around her work. She keeps a running notebook of ideas for research projects and says, "there are so many questions I want to answer, yet so little time."

Her interest in behavioral/experimental economics started in graduate school at MIT in 1996, while working on her dissertation on the evolution of money. Rosenblat was struggling to find the data she needed, but after listening to a presentation by a well-known behavioral/experimental economist from Caltech, realized that she might be able to find her data source through the discipline. Her curiosity led her to reroute her studies to Caltech for a year, eventually making behavioral/experimental economics her area of focus as an economist.

Rosenblat gained initial experience running experiments as an assistant professor at Wesleyan, saying that for her, "the best way to learn the discipline was to teach it." While her research on the advantages of physical attractiveness in the workplace garnered media attention in such publications as The New York Times, what Rosenblat says she gained most during that time was an awareness of the power of experiments to isolate particular variables in ways that could explain a wide range of economic phenomena.

Not so long ago, behavioral/experimental economics was "frowned upon," says Rosenblat. Yet in recent years, the discipline has "come-of-age" and is considered a viable tool for solving economic problems in a wide range of disciplines. The appeal for many economists, she says, is that "behavioral/experimental economics doesn't assume that all decision-makers are rational," which is different than the standard economic model.

The underlying cognitive or psychological biases of the decision maker are teased out in the experiment process, which provides economists, in many cases, with more truthful data. Says Rosenblat, "If I ask a sensitive question in a survey you may not always answer honestly. But if I set up a situation which tests your behavior, I can get a more accurate picture of how you would tend to make a decision in a given situation."

Graduate student research

Rosenblat describes the learning environment for graduate students studying behavioral/experimental economics as "active," where the chance to design and facilitate experiments generates first curiosity. She encourages her students to select topics that have some degree of personal interest, because "you can't be passionate about what your advisor suggests."

Tushi Baul, a fifth-year PhD student from India, wanted to determine whether individuals striving for public sector jobs in India, where the tendency toward corruption in that sector is well known, were more prone to cheat. "It's hard to get at a situation like this where there's an unethical issue. It was much easier to conduct an experiment that tests for the behavior," she says.

The topic appealed to her, not only because it "incorporated the biases in the psychology of a person in the decision-making process," but also because she saw a way to affect a problem in her own country. "Many developing countries like India have a lack of data, so behavioral/experimental economics is a way to provide more of that," says Baul.

> ***"Behavioral/ experimental economics doesn't assume that all decision-makers are rational."***
> - Tanya Rosenblat

Blending aspects of psychology, sociology, neuroscience, anthropology, and computer science, Rosenblat says that behavioral/ experimental work often lends itself to interdisciplinary collaboration. The research of one of her graduate students, Younjun Kim, focuses on measuring how individuals make economic decisions when they're fatigued. He collaborated with another student from the psychology department, where the research on fatigue and cognitive skill is plentiful.

While Kim was originally was drawn to the department to study environmental economics, the addition of behavioral/experimental economics to his original discipline allowed him to explore issues in ways he hadn't before considered.

"Because Dr. Rosenblat exposes us to the most recent literature and invites guest lecturers from diverse areas, it really helps us to see the potential for using behavioral/experimental economics in our own work in so many different ways," he says.

Fifth year graduate student Qiqi Wang said he learned how to "identify important topics," through Rosenblat's encouragement to explore areas of personal interest. His research on discrimination in the Chinese workplace earned him a coveted position at Shandong University at the Research Center for Games and Economic Behavior, where he'll help to build one of China's first labs.

"The whole area is pretty new for China, so this is a great opportunity for me to introduce the discipline," he says.

Rosenblat is "proud" of her students, and encouraged by the implications that many of their projects might have on policy issues. Kim, for instance, is working to connect public support for environmental policy changes with a willingness to pay for them.

She's also engaged by her own research on social networks, examining a range of impacts they can have on areas such as employment and small business establishment in developing countries, to the ways that traveling food vendors might better exploit social media to boost their business.

These are the kinds of projects that she knows can be impactful to individuals, yet they also capture her curiosity.

"Someone once said to me that whatever you do for work, make it fun," she says. "I'm fortunate to truly enjoy what I do — with behavioral experimental economics, I feel I found the right place for myself." ♦