# Review of *The Psychology of Economic Decisions: Rationality and Well Being*

**Robert A. Olsen**

*The Psychology of Economic Decisions: Rationality and Well Being,* Isabelle Brocas and Juan Carrillo, 2003, Oxford: Oxford University Press, 322 pp.

This book contains a collection of 15 original papers presented at a recent conference sponsored by the Center for Economic Policy Research. The Center for Economic Policy Research was established in 1983 and is a network of European university faculty conducting research on economic and public policy issues. One of the principal goals of the Center is to encourage and support joint research among Economists and Psychologists. The purpose of this conference and of this book is to explore commonalities between the two disciplines relative to current decision making issues. The 15 papers are organized into five sections drawn from decision research themes that are common in both Psychological and Economic research. These are: causes and consequences of irrational conduct; imperfect knowledge; imperfect memory and cognitive processing; time and utility; experimental practices and design. The writers of the papers are acknowledged experts in their individual fields. The primary strength of this book is its great value as an entry point for the reader interested in the interface between Economics and Psychology in the area of individual decision making.

# Review of *Time and Decision: Economic and Psychological Perspectives on Intertemporal Choice*

**Robert A. Olsen**

*Time and Decision: Economic and Psychological Perspectives on Intertemporal Choice*, George Lowenstein, Daniel Read, and Roy Baumeister, 2003, New York: Russell Sage Foundation, 569 pp.

This book contains a comprehensive review of major research dealing with the time dimension in decision making. Approximately ten years ago the primary time issue was only time discounting. Since then psychologists and economists have begun to explore many other time related phenomena such as the effect of emotion on the perceived passage of time, the issue of self control, and other sources of variability in individual perceptions of and behavior toward the passage of time. In addition, whereas ten years ago most interest was associated with the concept of hyperbolic time discounting, now the emphasis has shifted to its implications. The authors state that a primary purpose of this book is to serve as an academic "busing" device to speed up the integration of psychology and economics in the domain of intertemporal choice. The papers in the book are divided into four thematic sections. These sections are: philosophical, evolutionary and neurobiological underpinnings; theoretical perspectives; patterns of preference; applications. All these invited papers were written by principal investigators in various fields and the strength of this book is its comprehensive treatment of a select number of cross disciplinary time related phenomenon.