

DRAZEN PRELEC

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Education

Harvard University, Ph.D 1983 in Experimental Psychology
Harvard College, AB 1978 in Applied Mathematics

Principal positions

Digital Equipment Corporation LFM Professor 2002 – present
Professor of Management Science, Sloan School, MIT, 1997-2002
Associate Professor of Management Science, Sloan School, MIT, 1991-1997
Assistant Professor of Managerial Economics, Harvard Business School, 1985-1991

Fellowships, Visiting Positions

Member, Institute for Advanced Study, Princeton, 2005-2006
Fellow, John Simon Guggenheim Memorial Foundation, 2005-2006
Department of Mathematics, Zagreb University, 2004-2005
Fellow, Center for Advanced Study in the Behavioral Sciences, Stanford, 1997-1998
Economics Department, MIT, 1990-1991
Visiting Scholar, The Russell Sage Foundation, New York, 1988-1989
Junior Fellow, Harvard Society of Fellows, 1982-1985

Grants

MIT Media Lab, \$80K for 2002, PI.
MIT E-Business Center, \$50K, for 2001, PI
NSF, "Emotion and Cognitive Resources in Time Discounting," (00-02), \$200K, PI.
NSF/ CIPD support for "Information Pump" (1999-present); approx. \$50K/year.
Creative Research Award, MIT (1996), \$50K.
NSF, "Intraindividual variability in time preference"(1995-1997) \$250K, co-PI.

Research Interests

Decision making: Rules, policies, principles, self-control, self-inference. Expert judgment: Design of group scoring rules for training experts and eliciting their judgments. Time preference; mental accounting; savings and debt attitudes; credit

cards; addictive overconsumption. Risk: Probability weighing, psychophysics of small probabilities.

Publications

- Ariely, D., Loewenstein, G., and D. Prelec. "Tom Sawyer and the construction of value." Journal of Economic Behavior and Organization (in press).
- Camerer, C., Loewenstein, G., and D. Prelec. "Neuroeconomics: How neuroscience can inform economics," Journal of Economic Literature, 2005, 43, 5-60 (lead article).
- Prelec, D. "A Bayesian truth serum for subjective data." Science, 2004, 306, 462-466 (lead Report).
- Prelec, D. "Decreasing impatience: A criterion for non-stationary time preference and hyperbolic discounting," Scandinavian Journal of Economics, 2004, 106, 511-532.
- Camerer, C., Loewenstein, G., and D. Prelec. "Neuroeconomics," Scandinavian Journal of Economics, 2004, 106, 555-579.
- Ariely, D., Loewenstein, G., and D. Prelec. "Arbitrarily coherent preferences." in Psychology and Economics, Vol II. I. Brocas and J. Carillo (eds.), Oxford University Press, 2004.
- Ariely, D., Loewenstein, G., and D. Prelec. "Coherent arbitrariness: Stable demand curves without stable preferences." Quarterly Journal of Economics, 2003, 118, 73-106.
- Prelec, D. and R. Bodner. "Self-signaling and self-control," Time and Decision, G. Loewenstein, D. Read, & R.F. Baumeister (eds.) Russell Sage Press, New York, 2003.
- Bodner, R. and D. Prelec. "Self-signaling in a neo-Calvinist model of everyday decision making," in Psychology and Economics, Vol I. I. Brocas and J. Carillo (eds.), Oxford University Press, 2002.
- Prelec, D., and D. Simester, "Don't leave home without it," Marketing Letters. 2001. 12, 5-12.
- Prelec, D. "Compound Invariant Weighting Functions in Prospect Theory," in Choices, Values, Frames, D. Kahneman and A. Tversky (eds.). Cambridge: Cambridge University Press, 2001.
- Loewenstein, G., Prelec, D., and R. Weber. "What me worry? A Psychological Perspective on Economic Aspects of Retirement," in H. Aaron (ed.) Psychological Perspectives on Retirement. New York and Washington D.C.: Brookings Foundation and Russell Sage Foundation Press, 2000.
- Prelec, D. "The Probability Weighting Function," Econometrica, 1998, 66, 497-527 (lead article).
- Prelec, D. and G. Loewenstein. "The Red and the Black: Mental accounting of savings and debt." Marketing Science, 1998, 17, 4-28.
- Prelec, D., B. Wernerfelt, and F. Zettelmeyer. "The role of inference in context effects," Journal of Consumer Research, June 1997.
- Prelec, D., and G. Loewenstein. "Beyond time discounting," Marketing Letters, 1997, 8, 97-108.

- Bodner, R., and D. Prelec, "The emergence of private rules in a self-signaling model," International Journal of Psychology, 1996, 31, 3652-3653.
- Herrnstein, R.J., G. Loewenstein, D. Prelec, and W. Vaughan, Jr. "Utility maximization and melioration: Internalities in individual choice," Journal of Behavioral Decision Making, 1993, 6, 149-185.
- Loewenstein, G. and D. Prelec. "Preferences over sequences of outcomes," Psychological Review, 1993, 100, 91-108.
- Loewenstein, G. and D. Prelec. "Anomalies in intertemporal choice: Evidence and an interpretation," Quarterly Journal of Economics, 1992, 107, 573-598.
- Herrnstein, R.J., and D. Prelec. "Melioration," in Choice Over Time, G. Loewenstein and J. Elster (eds.), New York: Russell Sage Press, 1992.
- Herrnstein, R.J., and D. Prelec. "A theory of addiction," in Choice Over Time, G. Loewenstein and J. Elster (eds.), New York: Russell Sage Press, 1992.
- Prelec, D., and R. J. Herrnstein. "Preferences and Principles, Alternative Guidelines for Choice," in Strategic Reflections on Human Behavior (R. Zeckhauser, editor), Cambridge, Mass.: MIT Press, 1991.
- Prelec, D., and G. Loewenstein. "Decision making over time and under uncertainty: A common approach," Management Science, 770-786, 37, 1991.
- Herrnstein, R.J., and D. Prelec. "Melioration: A theory of distributed choice," Journal of Economic Perspectives, 137-156, 5, 1991.
- Loewenstein, G. and D. Prelec. "Negative time preference," American Economic Review, 347-352, 81, 1991.
- Prelec, D. "Values and principles: Some limitations on traditional economic analysis," in Socioeconomics: Toward a New Synthesis, A. Etzioni and P. Lawrence (Eds.), New York: M.E. Sharpe, 1991.
- Prelec, D. "A pseudo-endowment effect, and its implications for some recent non-expected utility models," Journal of Risk and Uncertainty, 1990, 3, 247-259.
- Prelec, D. "The assumptions underlying the generalized matching law," Journal of the Experimental Analysis of Behavior, 1984, 41, 101-107.
- Prelec, D. "The empirical claims of maximization theory: A reply to Rachlin, and to Kagel, Battalio, and Green." Psychological Review. 1983, 90, 385-389.
- Prelec, D. "Matching, maximizing, and the hyperbolic reinforcement feedback function." Psychological Review. 1982, 89, 189-231.
- Prelec, D. and R.J. Herrnstein. "Feedback functions for reinforcement: A paradigmatic experiment," Animal Learning and Behavior, 1978, 6, 181-186.

Recent invited presentations, symposia, workshops

- Department of Psychology, University of Zagreb, May 2005.
- Institute Rudjer Boskovic, Croatian Biophysical Society, Zagreb, May 2005
- CERGE-EI, Charles University, Prague, April 2005
- Department of Philosophy, University of Rijeka, March 2005.
- Conference on Behavioral Science, International Center for Finance at Yale, November 2004

NIDA – NIH Symposium on Behavioral Economics and Addiction, Bethesda, October 2004.

Maryland – Michigan Joint Program on Survey Research, Maryland, October 2004.

Central European University, Budapest, Behavioral Economics (public lecture) July 2004.

Aspen Physics Institute, June 2004.

Choice Symposium, Boulder Colorado, June 2004.

New York University, Marketing Camp, June 2004

Department of Mathematics, Zagreb University, October 2003

Economic Institute, Zagreb, Croatia, October 2003

Neuroeconomics Conference, Edgartown, MA, September 2003

Boston Federal Reserve Bank symposium on Behavioral Economics, Wellfleet, MA, May 2003

Boston University Business School, Boston MA, June 2003

Doctoral Marketing Consortium, Minneapolis, June 2003

American Institute for Economic Research, Behavioral Economics Conference, July 2002.

Economic Institute, Zagreb, Croatia, June 2002.

INSEAD Marketing Camp, Fontainebleu, France, June 2002.

Columbia University Decision Sciences workshop, April 2002.

Harvard University Social Psychology Seminar, March 2002.

UCLA Marketing Workshop, March 2002.

UC Berkeley Behavioral Economics seminar, March 2002.

Washington University Marketing Workshop, St. Louis, February 2002.

Nobel Symposium on Behavioral and Experimental Economics, Stockholm December 2001.

Yale Behavioral Economics workshop, September, 2001.

2001 Choice Symposium, Asilomar CA, June 2001.

Behavioral Economics Conference, Stanford Institute for Theoretical Economics, August 2001.

Cornell Marketing Seminar, March 2001.

CEPR Conference on Psychology and Economics, Brussels, June 2000.

Duke Marketing Workshop, “Information Pump,” March 2000.

Risk and Decision Seminar, Harvard Center for Risk Analysis, January 2000.

Ohio State University Marketing Workshop, 2000.

Wharton Decision Sciences Seminar, January 2000.