Contents

Contributors vii

PART I PSYCHOLOGY, ECONOMICS, AND ECONOMETRICS 1

Chapter 1 Toward an Agenda for Behavioral Public Finance 3
Edward J. McCaffery and Joel Slemrod

Chapter 2 Statistical, Identifiable, and Iconic Victims 32
George Loewenstein, Deborah A. Small, and Jeff Strnad

Chapter 3 Distinguishing Between Cognitive Biases 47
Hanming Fang and Dan Silverman

PART II BEHAVIOR AND POLICY 83

Chapter 4 Masking Redistribution (or Its Absence) 85
Jonathan Baron and Edward J. McCaffery

Chapter 5 Mispredicting Utility and the Political Process 113
Bruno S. Frey and Alois Stutzer

Chapter 6 Hyperopia in Public Finance 141
Lee Anne Fennell

PART III TAX COMPLIANCE 173

Chapter 7 Value Added Tax Compliance 175
Paul Webley, Caroline Adams, and Henk Elffers
Chapter 8  Trust and Taxation  
*Terrence Chorvat*  
Chapter 9  Tax Evasion: Artful or Artless Dodging?  
*John Cullis, Philip Jones, and Alan Lewis*  

**PART IV**  RETIREMENT BEHAVIOR  
Chapter 10  Accounting for Social Security Benefits  
*Howell E. Jackson*  
Chapter 11  Saving for Retirement on the Path of Least Resistance  
*James J. Choi, David Laibson, Brigitte C. Madrian, and Andrew Metrick*  

**PART V**  RESERVATIONS  
Chapter 12  Second-Order Rationality  
*Richard A. Epstein*  

Index  

Page numbers refer to the end of the respective chapters.