

## Publication

### Suboptimal choices and the need for experienced individual well-being in economic analysis

#### **JournalArticle (Originalarbeit in einer wissenschaftlichen Zeitschrift)**

**ID** 1462929

**Author(s)** Hsee, Christopher K.; Rottenstreich, Yuval; Stutzer, Alois

**Author(s) at UniBasel** [Stutzer, Alois](#) ;

**Year** 2012

**Title** Suboptimal choices and the need for experienced individual well-being in economic analysis

**Journal** International journal of happiness and development

**Volume** 1

**Number** 1

**Pages / Article-Number** 63-85

**Keywords** suboptimal choice; individual well-being; experienced utility; evaluation mode; salient rule; utility misprediction

Standard economic analysis assumes that people make choices that maximise their utility. Yet both popular discourse and other fields assume that people sometimes fail to make optimal choices and thus adversely affect their own happiness. Most social sciences thus frequently describe some patterns of decision as suboptimal. We review evidence of suboptimal choices that arise for two reasons. First, people err in predicting the utility they may accrue from available choice options due to the evaluation mode. Second, people choose on the basis of salient rules that are unlikely to maximise utility. Our review is meant to highlight the possibility of a research programme that combines economic analysis with measures of individuals' experienced well-being to improve people's happiness.

**Publisher** Inderscience Publishers

**ISSN/ISBN** 2049-2790

**edoc-URL** <http://edoc.unibas.ch/dok/A6056090>

**Full Text on edoc** Available;

**Digital Object Identifier DOI** 10.1504/IJHD.2012.050826