**Why are people “hyperbolic discounters”?**

Daniel Read, Warwick Business School

People are impulsive, often choosing the more enticing amongst their options even when their more prudent self would prefer they do something else. For example, they want to eat less sugar, but fall off the wagon every time they pass a vending machine. They want to exercise, but today is not a good day to start. This talk will examine research that has been done on this phenomenon, with a focus on a specific explanation called “hyperbolic discounting” or “present bias”, the suggestion that people can be characterized by a discount rate that displays decreasing impatience as a function of delay.

I will discuss research showing in what way people are impulsive, and how present bias is used to explain this impulsivity. I will then discuss a wide range of contrarian research, showing that present bias is by no means a universal phenomenon, and use some new data to identify boundary conditions of the preference pattern. I will also consider how to talk about hyperbolic discounting behaviour without talking about hyperbolic discounting functions.

(Collaborator: Yael Grushka-Cockayne, Darden School of Business, University of North Carolina)

**References**

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