Considerations in Favor of Structural Modeling of

Economic Behavior

*Chapter 3 – Reward Bundling: Experimental Evidence for the* *Economics of Impulse Control*

A Dissertation Presented to Faculty of Commerce at the University of Cape Town In Partial Fulfillment of the Requirements for the Degree of Doctor of Philosophy in Economics

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**Abstract**

This chapter discusses reward bundling as a process that enables decision makers to exercise impulse control. Most empirical work on intertemporal choice has focused on analyzing impulsive choice, which may lead to self-defeating behavior. Less effort has been dedicated to explanations of how individuals manage to overcome such momentary temptations, if indeed they arise. This chapter reports an experiment with human subjects that meets the methodological standards of experimental economics and finds evidence for the presence of reward bundling.