

Mind Boggling: The Neural Traits of Irrational Behavior



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Economic theory frequently assumes that decision makers are consistent in their choices (“rational”). However, over the years a substantial amount of evidence has been gathered to show that the observed behavior of decision makers violates this assumption. The neuroeconomics literature tries to account for this phenomenon using neuroscientific tools, which trace the neuronal activity during the process of decision making. In this paper, we review recent findings, which relate inconsistent choice behavior with neuronal activity in brain regions responsible for decision making. We claim that in many cases violations of consistency are rooted in physiological constraints of the brain.