David Laibson is the Robert I. Goldman Professor of Economics and Chairman of the Department of Economics at Harvard University. He leads Harvard University’s Foundations of Human Behavior Initiative. Laibson’s research focuses on the topic of behavioral economics, with emphasis on household finance, macroeconomics, aging, and intertemporal choice. Laibson is also a member of the National Bureau of Economic Research, where he co-directs the National Institute of Aging Roybal Center for Behavior Change in Health and Savings, and is a Research Associate in the Aging, Asset Pricing, and Economic Fluctuations Working Groups. Laibson serves on the Board of the Russell Sage Foundation and on Harvard’s Pension Investment Committee. Laibson serves on the advisory board of the Social Science Genetics Association Consortium and has served on the Academic Research Council of the Consumer Financial Protection Bureau. Laibson is a recipient of a Marshall Scholarship. He is a Fellow of the Econometric Society and the American Academy of Arts and Sciences. He is a recipient of the TIAA-CREF Paul A. Samuelson Award for Outstanding Scholarly Writing on Lifelong Financial Security. Laibson holds degrees from Harvard University (AB in Economics, Summa), the London School of Economic (MSc in Econometrics and Mathematical Economics), and the Massachusetts Institute of Technology (PhD in Economics). He received his PhD in 1994 and has taught at Harvard since then. In recognition of his teaching, he has been awarded Harvard’s ΦΒΚ Prize and a Harvard College Professorship.
The day will include:

9:30-10:30 - Guest lecture in Rashid Al Hmoud's Macro class.

11:00-12:00 - Meet with graduate students to share views on his approach to teaching macro and how this influenced his decisions when writing the text.

12:00-1:00 – Lunch will be provided for collaboration time

1:30-2:45 - Faculty Seminar

**Myopia and Discounting**
Xavier Gabaix (NYU) and David Laibson (Harvard)

For the last century, economists have assumed that agents have `deep' time preferences -- in other words, agents value pleasures and pains in t years more than pleasures and pains in t+1 years. By contrast, philosophers have argued that discounting future rewards results from `myopia,' i.e. imperfect foresight. We develop this alternative hypothesis. Specifically, we show that time discounting arises naturally when a perfectly patient Bayesian decision-maker receives noisy signals about the future (instead of being able to make noiseless forecasts). The resulting signal-noise extraction problem leads the Bayesian agent to effectively down-weight delayed utils. Our benchmark model of imperfect forecasting implies that agents act 'as if' they have hyperbolic time preferences, including exhibiting systematic preference reversals. However, our model implies that agents do not choose commitment -- their deep time preferences are dynamically consistent. Our model also implies that agents with more domain-relevant experience/knowledge will behavior more patiently.