

Human behavior and economics essay sample

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The economic approach to which we analyze humans isn't a harsh pattern, but it's a flexible collection of tools to analyze information, its availability, and importance; principles of profitability; preferences and behavior of individuals (Behavioral Economics). We can use Becker as an example; he argued that the flexibility of the economic approach is confirmed by the fact that humans never come up with statements of irrational behavior (Gary Becker). It does though allow some cost to adjust preferences and behavior. Becker means the economic approach hasn't got as its aim to label some behavior as irrational; it provides preferences with the possibility of being represented in the way that they show they're fully rational, but we might as well think they were irrational at first (George Mason University). Therefore the economic approach consists of the analysis of optimal possibilities together with costs, which might influence that specific behavior (Understanding Human Behavior). Here the value of this economic approach for economics becomes well known for the analysis of human behavior and how we describe them.

When analyzing humans we have to take into consideration every person's crimes, time management, education, marriage/divorce, or even their daily habits (N. p.). For example, me as a human would want to live the longest possible but with the fewer amounts of debts and costs. Therefore, understanding and explaining an individuals behavior economically, comes from deductions of their day-to-day lives and habits (Understanding Human Behavior). Much of human behavior is directed toward goals: finding food, selling services, curing cancer, and making sense (N. p.). Achieving goals requires action. Action requires effort.

Effort requires energy and attention applied over time. Effort overcomes obstacles and taxes our patience, strengthen our tenacity, and cause us stress (Behavioral Economics). Therefore living, and making effort to do an action has a cost for it. Every human being lives it life as it wants to, it manages its money as it wants to, and behaves, as it wants to. This is because a specific persons behavior cant be measured at all. It all depends in what are their goals in their live, and how they want to achieve them. As in their Economical values, it all depends to which extent and how they want to manage their money and business.