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# IDENTIFICATION AND RANKING OF FACTORS AFFECTING BEHAVIORAL ECONOMICS IN IRAN

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**Abstracts**

**Purpose-** Since economics is the science of choice and if we conside the human being as a selector, it should be noted how the function of selection is formed and how it can psychologically measure and analyze activities such as intentions, motives, opinions, attitudes and expectations. The aims of this study were to identify and rank the factors affecting behavioral economics and its use.
**Design/methodology/approach-** In this deseriptive -analytic study, 385 in dividuals were selected using the Cochran formula. Data were gathered through a questionnaire and analyzed using arachnoid diagram rating and spss software package.
**Findings-** Generally, fairness, risk and inequity aversion dimensions have more important roles in behavioral economics of Iran community, while, mimicry, sel fishness and economic intelligence have less significant roles. All hypotheses of the study were confirmed ($p<0.05$) and although the hypothesis related to selfishness was rejected, according to the participants, role of selfishness dimension is high among Iran community.
**Research limitations/implications**- It can be concluded that the behavior and habits of other people have no significant role in behavioral economy of Iran community, that might be due to the fact that the effects of these two items on economy is not so important; hence respondents don't consider high amount of significance for these dimensions in Iran community. More over, in behavioral economics of Iran community the amount of reciprocal friendship, inequity aversion and fairness is low that can be attributed to the lack of trust between people in regard to their economic decisions.
**Practical implications-** One of the most important applications of this research, is offering behavioral economy in general scheme, and as regards to few research in this field, it's one of the main problems of executives when refer to this field of science, because they don't have appropriate image of the current situation in Iran and by this image they will be able planning decisions regarding the strengths and weaknesses of Iranian society.
**Originality/value-** Firstly, similar research in the field of behavioral economics has not been carried out in Iran, and this study can be considered grounds for starting research in this field. Furthermore, dispite the long time has passed, since the introduction of behavioral economics theory , no research has been focused on this issue in Iran and presented profile in this research , is the first image of behavioral economics in Iran.
**Research paper**
**Keywords:** Behavioral economics; Economic decision making; Rationality; Bounded rationality; Conventional economics
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**Introduction**

For continuing and improved success, behavioral economics needs to preserve some aspects of traditional economic analyses and avoid others. Economists are more aware of the importance of the constraints coming from equilibrium than typical non-economists, an awareness thatmatters for behavioral economics as well. Awareness of equilibrium (sometimes going from unintended consequences to undesired consequences that can be part of an evaluation) is an important part of thinking about both positive and normative dimensions of outcomes. Constraints from equilibrium come in a variety of forms. Individuals have budget constraints — there cannot be a total absence of quantity responses to a single price change of a good being purchased, and some policies to lower consumption today (e. g., of positional goods) may increase their consumption tomorrow. Governments also have budget constraints — today's deficits have real implications, for taxes and/or spending in the future. Economic agents react to changes in the economic environment (e. g., rules on disclosure) and agents react to the changes in the behavior of others. It is important to preserve awareness of equilibrium responses when considering policy changes by governments or other institutions or individuals. Behavioral analyses need to be as aware of the roles of equilibrium constraints as non-behavioral analyses (Diamond, 2008).

In this study, we are looking to provide a comprehensive profile of behavioral economics in Iran, on the one hand to analyze the relationships between its components and On the other hand, we determined the status each aspect of the economy behavior in Iran and through it, create a context for

decision making and policy – making regards to interactions in Iranian society.

**The history of economy science emergence**

The economy science history has been the result of frequent stresses between the achievements of two fields of recommendation and explanation. Achievement and advancement at on scope have provided a suitable condition for the achievement. of the other field and repeat ition of this cycle has been resulted in the advance ment of economy science. The economy science history also is not anything except a historical report of this process. The recommendable theories are looking for the definition of desirable decisions. Neo- classical theoreticions have been successful in designing a basic and inherent mathematical framework. The specialists like Alaies (1953) and Alsberg (1961) and Mansouri et al. (2011) have emphasized on this point or implied that either the numbers of people who increase a profit are limitted, and/ or fundamental hypotheses of Neo-classic revolution are disturbed. (Glimcher et al, 2005, p. 2)

Over two or there last decades, economists have answered to the descriptive challenge created by these Post-Neo-Classic studies; accordingly, they have selected one of the following two fundamental attitudes; The first attitude is that the intellectual decisions based on a profit theory occur only at a special conditions and the description of these conditions has a great significance (Simon 1983, 1974). The second attitude also states that a standard profit theory is entitled adjustments, increases or new attitudes (Savage 1954, Kahneman and Taversky 1979).

**What is Behavioral Economics?**

The behavioral economics is one of rather new and serious branches of economic knowledge, that its aims are promotion of the economic knowledge and to decrease the gap between economic models and external realities. This branch of the economy science that has received many advocators, throughout the world has been introduced as an incorrect and altered form in a way that strange and improper perceptions and inferences from this branch of economy science are common among economists society (Camerer, 1985).

Economics is a collection of ideas and conventions which economists accept and use to reason with. Namely, it is a culture. Behavioral economics represents a transformation of that culture. Nonetheless, as pointed out by Camerer and Loewenstein (2003), its methods are pretty much the same as those introduced by the Game Theory revolution. At the core of most models in Behavioral Economics there are still agents who maximize a preference relation over some space of consequences and the solution in most cases still involves standard equilibrium concepts. However, the behavioral economists are not committed to what is usually referred to as rational motivations. An economic fable (or a model as we would call it) that has at its core fairness, envy, present-bias and the like is by now not only permitted but even preferred (Camerer, 1985).

**Research literature**

Social Sciences researchers have widely studied and did researches about economics and behavioral economics in order to indicate that which factors affect behavioral economics and what behavior causes people to buy a special type of goods or service while avoiding other types.

In this study, we are looking for drow an immense map of behavioral economy in Iranian society. In this part, the research literature and concepts used in this article has outlined, and we have mapped, our research literature.
At first, mention the economy and behavioral economy and in next part we will examine the factors influencing behavioral economy, thus in the next phase of research we will provide the research methodology**.**

**Economics**

To Mitchell, economics, as a social science, could develop a better explanation of the activities of humans by basing it upon empirically grounded psychology. Wesley Mitchell expressed his dissatisfaction with the separation of economics from psychology, i.e. deploring of what he called economics' nonintercourse with psychology, in his 1914 Quarterly Journal of Economics essay "Human Behavior and Economics" (Mitchell, 1914). Clark (1918) seems to agree with Mitchell; that unhappiness is discussed in his 1918 Journal of Political Economy paper: "The economist may attempt to ignore psychology, but it is sheer impossibility for him to ignore human nature ... . If the economist borrows his conception of man from the psychologist, his constructive work may have some chance of remaining purely economic in character, but if he does not, he will not thereby avoid psychology. Rather, he will force himself to make his own, and it will be bad psychology (Clark, 1918).

Gilad and Kaish maintain that Adam Smith used psychology in his studies of the economy, having a broad view of the economy absent in modern conventional economics (Gilad et al., 1984) .However, "from Ricardo on, the mainstream has gradually moved away from Smith's broad view of

the full human experience to its present ascetic state where the bare bones of rationalism dominate and very little human flesh is to be seen covering them." (Ibid).

**Behavioral economics**

Behavioral economics is seen by its advocates as a reaction to the deficiencies of conventional economics. In his Preface to the Handbook of Behavioral Economics (edited by Gilad and Kaish, 1986), Herbert Simon maintains that "We need to augment and amend the existing body of classical and neoclassical economic theory to achieve a more realistic picture of economic process ..." (Gilad and Kaish, 1986). For Simon, economists, as social scientists, must be prepared to name the key attributes of human actors (Simon, 1985) ."Behavioral economics is the name we give to the research enterprise that seeks to meet these needs," states Simon (Simon, 1986).

In his 1980 book, Katona summarizes modern developments in behavioral economics as follows: "During the past three decades numerous empirical studies of economic behavior have been carried out and their theoretical foundation has been clarified. There was a rapid development and articulation of data, theory, and methodology. A new discipline of behavioral economics was emerging." (Katona, 1980). To Katona, the starting point of behavioral economics "consists of the empirical investigations of the behavior of businessmen and consumers in one country in one time. Generalizations about economic behavior emerge gradually by comparing behavior observed under different circumstances." (Ibid).

Gilad, Kaish, and Loeb, in their 1984 essay, summarizing the stated views of the participants of the 1984 SABE (i.e. Society for the Advance-

ment of Behavioral Economics) conference, define behavioral economics in terms of (at least) four objections to mainstream economics. These include: (1) a rejection of positivism as the methodological foundation for economic research, (2) a refusal to accept the use of deductive reasoning as a sufficient basis for a (social) science, and (3) a marked dislike of static analysis of equilibrium outcomes rather than disequilibrium processes. But their most important criticism of the mainstream theory is (4) an objection to the simplistic economic model of rational agents exhibiting optimizing behavior (Gilad, Kaish,loeb 1984).As an alternative to the notion of rationality as optimization, Herbert Simon introduced (and coined the term) bounded rationality during the 1950s. Since the 1950s, various interpretations of the concept have emerged. In the words of Gingerenzel and Selton: "bounded rationality has become a fashionable label for every model of human behavior." (Gigerenzer and Selten, 2001).

Leibenstein (1976) and his followers have sought the difference between optimizing behavior that individual members of an organization may exhibit for their own good and the less than optimal decisions this causes for the organization (i.e. economic unit) they belong to(Leibenstein, 198). Akerlof and Dickens (1982), Gilad, Kaish and Loeb, Cohen and Axelrod (1984) and others, while accepting the (conventional) utility maximizing assumption, advocate a behaviorally modified objective function that reflects dissonance and framing biases found in the laboratory (Gilad and Kaish, 1986). As stated by Gilad and Kaish, all behavioral economists agree that: "The neoclassical model of perfect information availability, optimal information processing, and the utility maximization that results is in severe need of overhaul." (Gilad et al., 1984)

Gilad, Kaish, and Loeb argue that behavioral economics is not a field in economics as much as it is: "a way of looking at the traditional fields in economics." (Ibid).

The authors of the Handbook of Behavioral Economics prefer to call behavioral economics "an approach in doing economic research." (Gilad, Kaish, 1986).These authors propose the following three postulates in assessing what behavioral economics is.

1. Following Herbert Simon (1978, 1979), they argue that economic theory must be consistent with the accumulated body of knowledge in the behavioral disciplines, including psychology, sociology, anthropology, organization theory, and decision sciences. This requirement is at the root of the behavioral economic studies attempting to improve the assumptive realism of economic theory (Gilad, Kaish, 1986). Of course, as suggested by Gigerenzer and Selton, "The lack of information flow between disciplines can hardly be understated." (Gigerenzer and Selten, 2001).
2. Economic theory should concentrate on and be able to explain real observed behavior. "This shift in emphasis to what actually happens rather than the logical conditions necessary for things to happen unites behavioral economists in a quest for a stronger descriptive base to economics. The survey-based research of Katona (1980) and his successors is a manifestation of this postulate." (Gilad and Kaish,1986).
3. As emphasized by Gilad and Kaish, economic theory should be empirically verifiable with field, laboratory, survey, and other microdata-generating techniques being acceptable means of verification. The

recent rise in popularity of experimental economics is certainly consistent with the "behaviorification" of economics (Ibid.).

Werner Debondt, Richard Thaler, Scharter, and Hood applied behavioral economics to the stock market. Liebenstein and Winter emphasized that all decisions involve procedures (i.e. routines) which are sub-optimal. Some writers have focused on the implications of behavioral research in terms of normative economics and economic policy, as a result of which some suggest a new rationale for government intervention in the economy, due to individual judgement biases, failures of the market would also cause a failure of optimized behavior. As stated by Gilad et al. (1984), to writers such as Nelson and Winter, the normative criteria of conventional economics will be in doubt. The works of Dickens, Juster, Thaler (1983, 1982, 1978, 1977), and others have demonstrated that the effectiveness of public policy will be enhanced by introducing behavioral considerations (Ibid). As argued by Nelson andWinter, "Policy analysis is one area in which behavioral economics can be useful." (Nelson, Winter, 1982).Leibenstein in 1985 (Journal of Behavioral Economics) essay, Leibenstein (1985) follows Herbert Simon in making a distinction between a substantive theory of rationality and a procedural one. Following Simon, he argues that real economic choices are procedural (and not necessarily substantive and optimal), for they involve intermediate steps in which particular procedures (i.e. human activities) are employed. These decision procedures will not usually lead to optimal decisions and choices, and they may be calculated or non-calculated procedures— faulty or incomplete ones. Leibenstein provides a list of non-calculating procedures (which lead to less than optimal decisions) that in-

clude: habit, emulating others, or ethical and moral imperatives, following rule of thumb, or standard procedures (Ibid).

**Factors affecting the behavioral economics**

*Reciprocal altruism*

The concept of "reciprocal altruism", as introduced by Trivers, suggests that altruism, defined as an act of helping someone else although incurring some cost for this act, could have evolved since it might be beneficial to incur this cost if there is a chance of being in a reverse situation where the person whom I helped before may perform an altruistic act towards me. Putting this into the form of a strategy in a repeated prisoner's dilemma would mean to cooperate unconditionally in the first period and behave cooperatively (altruistically) as long as the other agent does as well (Trivers, 1971).

*Inequity aversion*

IA research on humans mostly occurs in the discipline of economics though it is also studied in sociology. Research on IA began in 1978 when studies suggested that humans are sensitive to inequities in favor of as well as those against them, and that some people attempt overcompensation when they feel "guilty" or unhappy to have received an undeserved reward. (Hatfield et al., 1978**)**

*Fairness*

Often contrasted with just process, which is concerned with the administration of law, distributive justice concentrates on outcomes. A prominent contemporary theorist of distributive justice is the philosopher John Rawls. This subject has been given considerable attention in philosophy and social sciences (James, 2003)

*Illusion of control*

Conditional expected utility" is a form of reasoning where the individual has an illusion of control, and calculates the probabilities of external events and hence utility as a function of their own action, even when they have no causal ability to affect those external events (Grafstein, 1995),(Shafir, Tversky, 1992).

*Finance*

Finance is often defined simply as the management of money or "funds" management ( Gove, 1961). Modern finance, however, is a family of business activity that includes the origination, marketing, and management of cash and money surrogates through a variety of capital accounts, instruments, and markets created for transacting and trading assets, liabilities, and risks. Finance is conceptualized, structured, and regulated by a complex system of power relations within political economies across state and global markets (Salamzadeh et al., 2011; Vitt, 2011).

*Saving*

Saving is income not spent, or deferred consumption. Methods of saving include putting money aside in a bank or pension plan. The standard life-cycle model of savings abstracts from both bounded rationality and bounded willpower, yet saving for retirement is both a difficult cognitive problem and a difficult self-control problem (Thlaer, 2000).

*Adaptive expectations*

In economics, adaptive expectations means that people form their expectations about what will happen in the future based on what has happened in the past. For example, if inflation has been higher than expected in the past, people would revise expectations for the future (George, 2001).

*Mimicry (herding instinct)*

Mimicry is the similarity of one species to another which protects one or both (Raafat et al., 2009). Herd behavior describes how individuals in a group can act together without planned direction.proposed an integrated approach to herding, describing two key issues, the mechanisms of transmission of thoughts or behavior between individuals and the patterns of connections between them (King, 2006).

*Optimism*

Optimism is an alternative to negative perfectionism**.** Optimism allows for failure in pursuit of a goal, and expects that while the trend of activity will tend towards the positive it is not necessary to always succeed while striving to attain goals. This basis in reality prevents the optimist from being overwhelmed in the face of failure (Tal Ben-Shahar, 2009).

*Confidence*

Some self-doubt can benefit performance, which calls into question the widely accepted positive linear relationship between self-confidence and performance. As effort did not increase with decreased confidence, the precise mechanisms via which self-confidence will lead to an increase or a decrease in performance remain to be elucidated (Woodman et al., 2010).

*Selfishness*

Selfishness (or self-interest) is commonly denoted by an exclusive concern with oneself or concern with one's own interests. Selfishness is the opposite of altruism or selflessnessThe evolutionary conundrum presented by cooperative behavior is well known. Cooperative traits are costly to express and are thus open to exploitation. Selfish individuals can defect from cooperation and benefit from the social contributions of others without reciprocating themselves. Such ‘cheaters’ can thus threaten the stability of cooperative systems (Velicer, 2005).

*Light paternalism*

Paternalism refers to attitudes or states of affairs that exemplify a traditional relationship between father (pater) and child. Two conditions of paternalism are usually identified: interference with liberty and a beneficent intention towards those whose liberty is interfered with (Angner and Loewenstein, 2006; Dworkin, 1972).

*Imitation*

People do many things by observing others and copying; people are encouraged to continue to do things when they feel other people approve of their behaviour (Dawnay and Shah, 2005).

*Habits*

People do many things without consciously thinking about them. These habits are hard to change – even though people might want to change their behaviour, it is not easy for them (Ibid.).

*Economic motivation*

There are cases where money is de-motivating as it undermines people's intrinsic motivation, for example, you would quickly stop inviting friends to dinner if they insisted on paying you (Ibid.; Tanha et al., 2011).

*Influence*

They want their actions to be in line with their values and their commitments. We have expectations about our own behaviour, and perceptions about the expectations other people have about our behaviour (Ibid.).

*People are loss-averse*

People are loss-averse, which means they will go out of their way to avoid losses, while at the same they would not bother to go out of their way to gain something. This can mean people may take large risks to avoid losses whilst at the same time avoiding even small risks to make gains (Ibid.).

*Economic Intelligence*

When making decisions: they put undue weight on recent events and too little on far-off ones; they cannot calculate probabilities well and worry too much about unlikely events; and they are strongly influenced by how the problem/information is presented to them (Ibid.).

*Involvement*

just giving people the incentives and information is not necessarily enough. People hate feeling helpless and out of control and, when they have such feelings, they feel incapable of doing anything to change the situation. Conversely, when they feel in control, they can be highly motivated to change things for the better (Ibid.).

**Methodology**

This study is an analytical-descriptive survey, that in its descriptive part effective factors on the behavioral economics were identified and in analytical part the collected date were analyzed through statistical methods and finally mean scores of identified factors were obtained using arachnoid diagram and they were ranked. Research assumptions have been accepted or rejected using Chi-Square tests. The statistical population of this study was infinite and statistical sample size with considering 0/05 the significance level of and applying Cochran formula was calculated as 385 persons:

$$n=z^2pq/d^2$$

Z=1.96

P=0.5

q=0.5

d=0.05

n= the sample volume

$n=(1.96*0.5*0.5)/(0.05)^2 =385$

Data collection tool was a questionnaire. From a total of 385 distributed questionnaires, about 200 questionnaires, were returned and used in data analysis. The questionnaires were distributed among all samples above 18 years with at least high school diploma and in both age groups. The questionnaire includes two parts of demographic features and such as age, sex, educational level and job main questions related to economic decisions answered in a five-point Likert scale. Date analysis was performed through spss software.

In order to determine the questionnaire's validity, first it was distributed in a limited level and considering the obtained data in pre-test the quostiones were corrected and set according to the perception, attitude and culture of the study population. The applied questionnaire was confirmed by expeots in the field. After distributing and collecting 30 questionnaires, kronbach-alfa coefficient was calculated as 0.781 using SPSS software.

**Results of the statistical analysis**

About half of the respondents ware female that shows the sex distribution of sample group is the same as that of the society. Also the collected data shows that respondents have been distributed in all considered age groups. Among this, the number of respondents in the age group 30- 35 years was a little more than other age groups. In regard to the educational level, 39% had a bachelor degree, 29% had diploma or associate diploma, 15% had Ph.D or above and finally 14% had a master's degree. A big part of the respondents (43%) were employees at public sectors and 21% were university

students. The rest of the respondents were distributed among professional groups of free jobs, employee at private sectors, house keeper and jobless group respectively.

**Table 1**. Chi-Square test result summary and dimensions acceptance or denial position

| Row | assumption | Chi-Square | df | Asymp. Sig. | Reject or confirmed |
|---|---|---|---|---|---|
| **1** | It seems that the imitation is high among the Iranians. | 74.100 | 4 | .000 | Rejected |
| **2** | It seems that the habits is high among the Iranians. | 85.100 | 4 | .000 | Rejected |
| **3** | It seems that the economic motivation is high among the Iranians. | 160.360 | 3 | .000 | confirmed |
| **4** | It seems that the influence is high among the Iranians. | 129.080 | 3 | .000 | confirmed |
| **5** | It seems that the risk is high among the Iranians. | 61.040 | 3 | .000 | Rejected |
| **6** | It seems that the economic Intelligence is low among the Iranians. | 199.450 | 4 | .000 | confirmed |
| **7** | It seems that the involvement is high among the Iranians. | 102.520 | 3 | .000 | confirmed |
| **8** | It seems that the reciprocal altruism is high among the Iranians. | 144.950 | 4 | .000 | Rejected |
| **9** | It seems that the inequity aversion is high among the Iranians. | 149.050 | 4 | .000 | Rejected |
| **10** | It seems that the fairness is high among the Iranians. | 137.100 | 4 | .000 | Rejected |
| **11** | It seems that the illusion of control is high among the Iranians. | 99.350 | 4 | .000 | Rejected |
| **12** | It seems that the finance is high among the Iranians. | 74.440 | 3 | .000 | confirmed |
| **13** | It seems that the Saving is high among the Iranians. | 116.350 | 4 | .000 | Rejected |
| **14** | It seems that the adaptive expectations is high among the Iranians. | 164.700 | 4 | .000 | confirmed |
| **15** | It seems that the mimicry is high | 112.050 | 4 | .000 | Rejected |

| | | | | | |
|---|---|---|---|---|---|
| | among the Iranians. | | | | |
| **16** | It seems that the optimism is high among the Iranians. | 133.800 | 4 | .000 | Rejected |
| **17** | It seems that the confidence is high among the Iranians. | 102.440 | 3 | .000 | confirmed |
| **18** | It seems that the selfishness is low among the Iranians. | 154.950 | 4 | .000 | Rejected |
| **19** | It seems that the light paternalism is high among the Iranians. | 128.000 | 4 | .000 | Rejected |

As it is observed in the above table, considering the significance level of 0.05, all of our hypotheses were significant.

Hypothese related to economic motivation, influence, involvement, finance, adaptive expectations and confidence dimensions have been confirmed. That is, the amount of cited dimensions is high in Iran community based on the respondents, viewpoints.

Also with confirming the hypothesis related to the economic intelligence, it was found that the amount of economic intelligence is low in Iranian community.Move over, as it is seen the hypotheses related to imitation, habits, risk, reciprocal altruism, inequity aversion, fairness, illusion of control, saving, mimicry (herding instinct), optimism and light paternalism dimensions were rejected. This means that the amounts of the mentioned dimensions are low in Iranian community in view of respondents. The hypothesis related to the selfishness dimension has been also rejected that shows high amount of selfishness among Iranian community.

**Table 2.** Arachnoid diagram of research 19 items dimensions position

| Statistics | | | |
|---|---|---|---|
| | | | Mean |
| N | Valid | 200 | 3.2975 |
| | Missing | 0 | |
| D1 | | 200 | 3.1500 |
| D2 | | 200 | 3.6265 |
| D03 | | 200 | 3.5750 |
| D4 | | 200 | 3.6875 |
| D5 | | 200 | 3.0475 |
| D6 | | 200 | 3.4915 |
| D7 | | 200 | 3.4290 |
| D8 | | 200 | 3.6600 |
| D9 | | 200 | 3.7525 |
| D10 | | 200 | 3.4600 |
| D11 | | 200 | 3.3865 |
| D12 | | 200 | 3.4625 |
| D13 | | 200 | 3.1400 |
| D14 | | 200 | 3.0230 |
| D15 | | 200 | 3.4125 |
| D16 | | 200 | 3.3125 |
| D17 | | 200 | 2.9675 |
| D18 | | 200 | 3.2950 |
| D19 | | 200 | |

The above table is related to the mean score of each of the research 19 dimensions, according to which the arachnoid diagram is drawn.

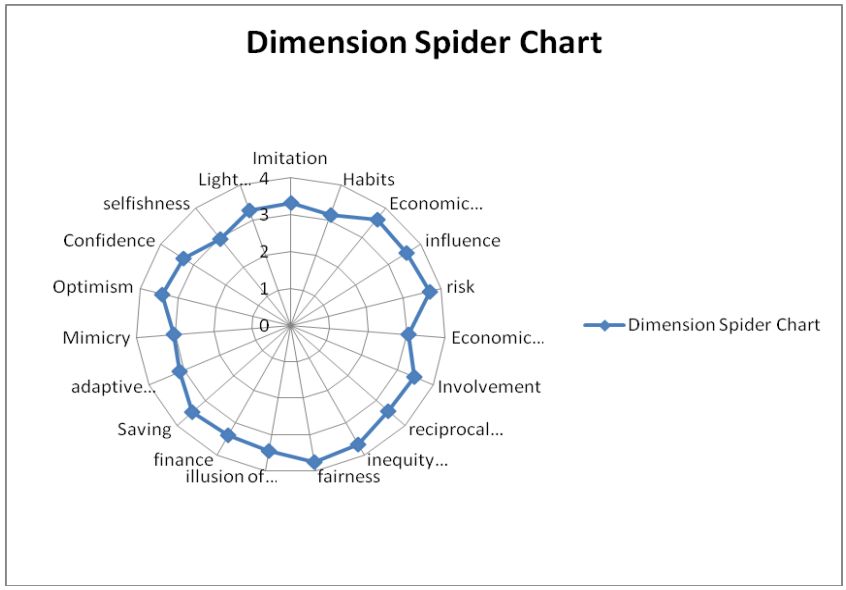


**Figure 1.** Dimension Spider Chart

As it is seen in the above diagram, fairness, risk, and inequity aversion have higher scores and consequently higher importance in behavioral economics in a general vision and if we want to consider the answers at one framework. While, mimicry (herding instinct) and economic intelligence dimensions have less significant roles in behavioral economics of Iranian community.

But in a general vision, we can claim that all dimensions have an effective role in the behavioral economics of Iranian community, except selfishness.

The frequency diagram of answers for each dimension and its comparison with the normal curve indicate that the distribution of most diagrams is close to the normal diagram distribution. That considering great sample sizes it was expected.

**Conclusion**

As was observed in this study in addition, we indicated which aspects of the behavior of the economy is in upper level and which in lower levels, the

general scheme of behavioral economy in the iranian society , was presented. As can be seen, although it was clear that some aspects of behavioral economics aren't in high level, but the overall condition and dimensions of behavioral economics is desirable in Iran and there was no critical aspects among them. As mentioned above, in this study we are looking for draw a map of situation and now by using this mapped situation, managers and economic decision makers determine, by focused on which aspects and related tools, can effect on people's behavioral economy.

Behavioral economics is one of the rather new and serious branches in economic science and its aim is mostly promotion of economic knowledge and to make the economic models closer to the external realities. At this branch of the economy science it is attempted to include psychology in economy domain in order to avoid economic analysis solely based on mathematical trends and formulas. This science believes that perceptual psychology can well affect the improvement of economic decisions and visions. With this approach we can provide a more novel and precise economic analysis by providing psychologic profiles of the society.

Different dimensions of behavioral economics that we considered in this research are as follow: Imitation, habits, economic motivation, influence, risk economic intelligence, involvement, reciprocal altruism, inequity aversion, fairness, illusion of control, finance, saving, adaptive expectations, mimcry, optimism, confidence, selfishness and ligh paternalism dimensions.

Given to the results of the research, we can say that the effect of other people's behavior and habits is not high on behavioral economy of Iranian community that might be due to the fact that the effect of these two items is not so evident at economy; hence, our respondents did not consider these

dimensions so significant in Iran community. More over, it was found that the effect of reciprocal altruism, inequity aversion and fairness is low in Iran community that can be attributed to the lack of trust between people in relation to their economic decisions; lack of trust causes people to feel that their counter person doesn't consider an altruism, fairness and integrity in economic decisions. Also the significance of loss aversion and saving also is low in Iranian community in view of our respondents. This might be due to the fact that Iranian people are risk seeker.

The motivation of people for performing a suitable and correct work is high in Iran community. Perhaps, its cause is that according to the public opinion, in order to achieve aims we must do correct works. As in this research, one of our main aims was to provide a profile of Iranian society in regard to the behavioral economics domain, one of the basic research applications at this domain, mentions to this case and decision makers and policy-makers can set regulations and laws at a more precise and better conditions with putting this profile as a basis next to their financial and economic analysis, and surely a decision that has been made with a more holistic and free vision on the economic behavior of people at a society, will also be higher the success probability and being nearer to the desired manner at it.

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