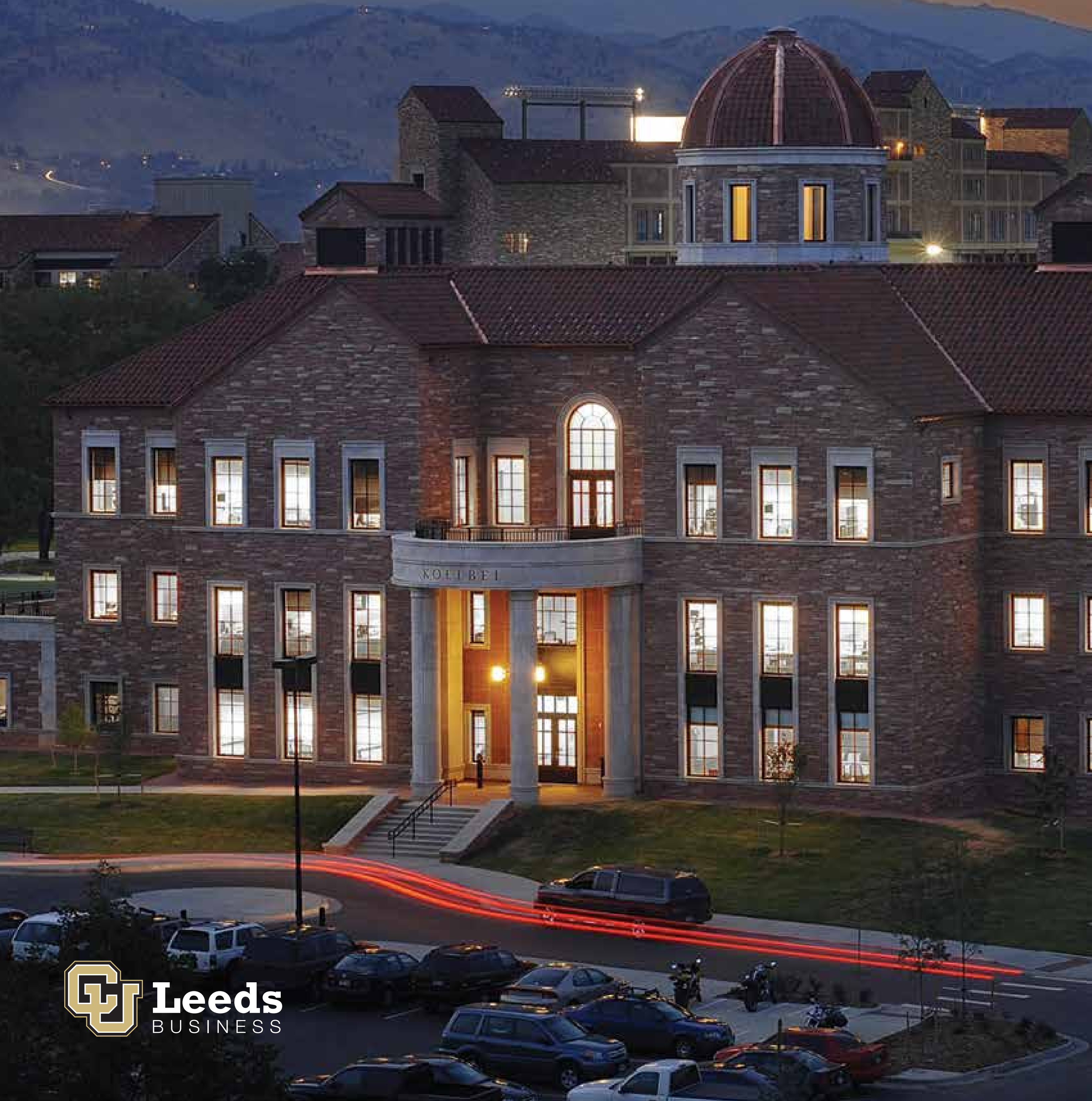
Center for Research on Consumer Financial Decision Making

2015 Boulder Summer Conference on Consumer Financial Decision Making

May 31-June 2, 2015



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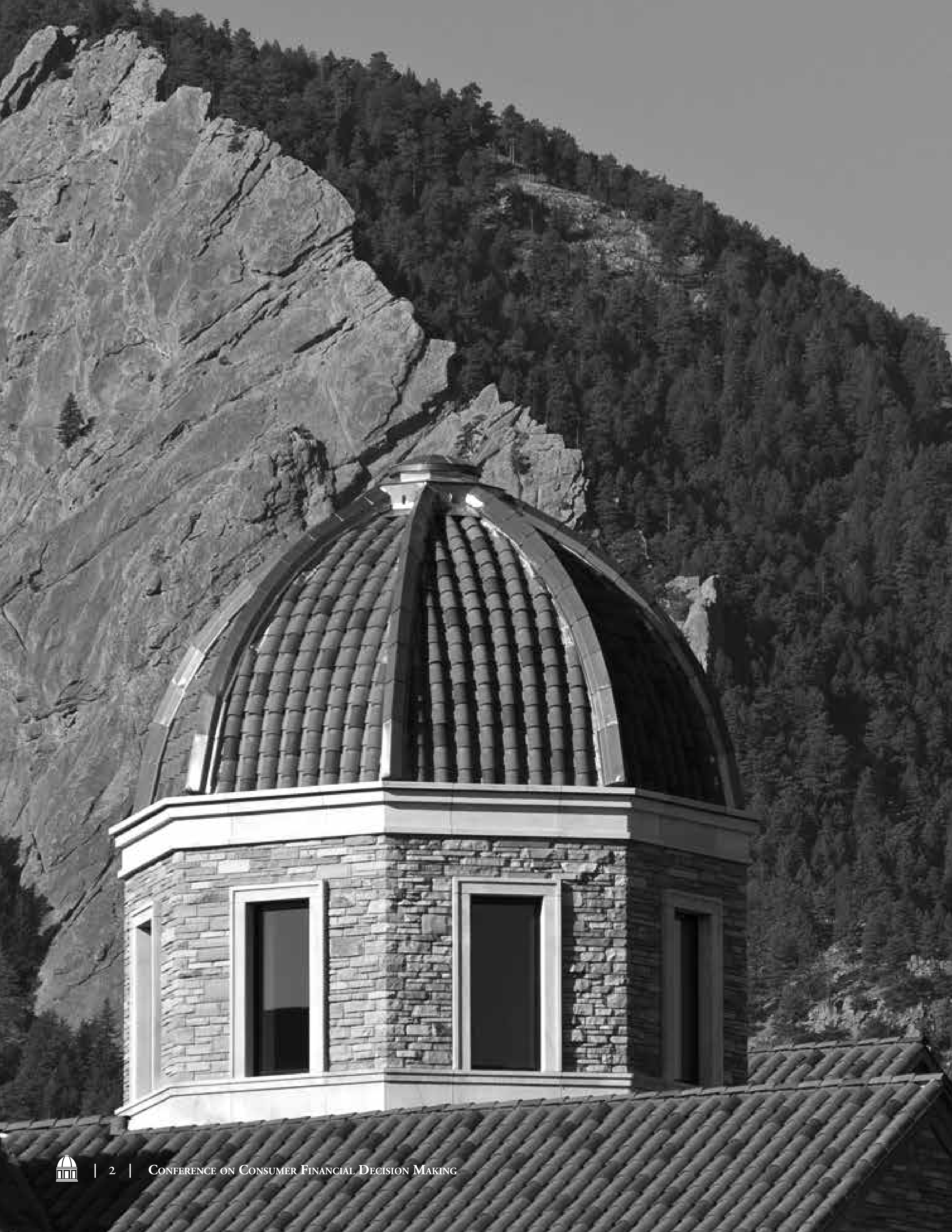


Welcome

Welcome to the 2015 Boulder Summer Conference on Consumer Financial Decision Making!

Consumer financial decision-making is a topic that is naturally interdisciplinary. No one field can claim to have all the answers, so there is a very real benefit in having a forum like this for conversation with scholars from Finance, Economics, Sociology, Education, Marketing, Behavioral Science, Public Policy, Management, Anthropology, Law, Operations & Information Management, Strategy, Psychology, and Consumer Sciences. Consumer welfare is strongly affected by household financial decisions large and small; we are very fortunate to have participation in the conference by people involved in the regulation of consumer financial products, by experts from nonprofit organizations that have a mission to promote better financial decision making, and by experts from the business world of financial services. Our participants come from around the world: China, Australia, the EU, Israel, South Africa, and North America.

Over the next three days, we are in for a treat. Sunday afternoon, renowned behavioral economist David Laibson will present opening keynote remarks about retirement plan “leakage”—preretirement withdrawal that permanently removes money from retirement savings accounts. The keynote talk will be followed by a keynote panel discussion with leading experts from industry working on the problem of retirement plan leakage. We hope that the keynote session stimulates academic research on the topic. We will follow the keynote session with a cocktail party and poster session, giving us a chance to get to know more about others at the conference.

Monday, we begin with a focus on struggles consumers have with household finance. What interventions can help consumers strike the right balance between spending and saving versus debt accumulation? How does the timing of income and expenses affect debt accumulation? How does inequality affect patterns of spending and debt? How do attempts to provide relief for struggling mortgage borrowers affect repayment behavior? How much of debt versus savings can be traced to stable individual differences rather than to temporary circumstances?

On Tuesday, we begin with a look at financial behaviors in households that are not so acutely distressed. We will examine middle class savings, how consumers react to hidden costs of products and financial services, how spending and saving change over the life cycle, personal stock market investing, and choice architecture to help people make better decisions around financial products.

The conference will be highly interactive, with plenty of time built into each session for discussion and opportunities for informal interaction built into our receptions and luncheons at fun places near the St. Julien Hotel.

Thank you!

John Lynch Donnie Lichtenstein

2015 Boulder Summer Conference on Consumer Financial Decision Making
May 31 – June 2, 2015

St. Julien Hotel and Spa, Xanadu Ballroom

PROGRAM

Sunday, May 31st

1:00-2:00 PM	**Conference Packet Pick-up & Poster Setup** St. Julien, Xanadu Ballroom Lobby
2:15-2:30 PM	**Welcome** (John Lynch and Donnie Lichtenstein) Xanadu Ballroom
2:30-3:00 PM	**Opening Remarks** "Retirement Plan Leakage" **David Laibson,** Harvard University (Economics)
3:00-4:15 PM	**Keynote Panel Discussion on Retirement Plan Leakage** **Winfield Evens** – Aon Hewitt Investment Strategy and Retirement Research Group **Aron Szapiro** – Hello Wallet Consumer Finance **Laraine McKinnon** – BlackRock
4:15-4:30 PM	**Break**
4:30-6:30 PM	**Poster Session and Reception** St. Julien, Outdoor Terrace (weather permitting) (Conference registrants only, please)

Monday, June 1st

7:00-8:00 AM **Continental Breakfast**
Xanadu Ballroom Lobby (Conference registrants only, please)

8:00-9:15 AM **Session 1: Nudging Spending & Debt**

"Information Architecture and Intertemporal Choice: A Randomized Field Experiment in the United States"
Yaron Levi – UCLA (Finance)

"Nudging Credit Scores in the Field: The Effect of Text Reminders on Creditworthiness in the U.S."
Anat Bracha – Federal Reserve Bank of Boston
Stephan Meier – Columbia University (Management)

Discussant: **Eric Johnson** – Columbia University (Marketing)

9:15-9:30 AM **Beverage Break** (Xanadu Ballroom Lobby)

9:30- 10:45 AM **Session 2: Inequality, Stratification, & Debt**

"Inequality and Financial Distress: Evidence from Lottery Winners and Neighboring Bankruptcies"
Barry Scholnick – University of Alberta (Finance)
Shawn Cole – Harvard University (Finance)
Peter Tufano – University of Oxford (Finance)

"Financial Education and Access to Savings Accounts: Complements or Substitutes?"
Julian Jamison – Consumer Financial Protection Bureau
Sumit Agarwal – National University of Singapore (Economics)
Slava Mikhed – Federal Reserve Bank of Philadelphia (Payment Cards Center)

Discussant: **Mark Cole** – Hope LoanPort

10:45- 11:00 AM **Beverage Break** (Xanadu Ballroom Lobby)

11:00-12:15 PM **Session 3: Timing of Income & Expense Flows & Debt Accumulation**

"The Effect of Income Timing on Short-term Borrowing: Evidence from Social Security Recipients"
Jesse Leary – Consumer Financial Protection Bureau
Jialan Wang – Consumer Financial Protection Bureau

"Timing is Money: Does Lump-Sum Payment of Tax Credits Induce High-Cost Borrowing?"
Lauren Jones – University of Toronto (Martin Prosperity Institute)
Katherine Michelmore – University of Michigan (Education Policy Initiative)

Discussant: **Gal Zauberman** – University of Pennsylvania (Marketing)

12:20- 1:45 PM **Lunch Break –** The Mediterranean Restaurant, 1002 Walnut Street
(Conference registrants only, please)

2:00- 3:15 PM **Session 4: Moral Hazard & Mortgage Repayment**

"When the Cat's Away: Payment Behavior During a Foreclosure Moratorium"
J. Michael Collins – University of Wisconsin-Madison
(Consumer Finance)
Carly J Urban – Montana State University (Economics)

"The Effects of Debt Forgiveness on Mortgage Borrower Behavior and Financial Outcomes"
Sean Hundtofte – Yale University (Financial Economics)

Discussant: **Isaac Hacamo** – Indiana University (Economics)

3:15- 3:30 PM **Beverage/Snack Break** (Xanadu Ballroom Lobby)

3:30- 4:45 PM **Session 5: Personality, Debt, & Saving**

"When Words Sweat: Written Words Can Predict Loan Default"
Oded Netzer – Columbia University (Marketing)
Alain Lemaire – Columbia University (Marketing)
Michal Herzenstein – University of Delaware (Marketing)

"Procrastination, Present-Biased Preferences, and Financial Behaviors"
Alessandro Previtero – University of Western Ontario (Finance)
Jeffrey Brown – University of Illinois (Finance)

Discussant: **Tal Yarkoni** – University of Texas-Austin
(Psychoinformatics Lab, Psychology)

5:30-7:00 PM **Reception** - Agora at the Riverside, 1724 Broadway Street,
(Partners and spouses welcome)

Tuesday, June 2nd

7:00-8:00 AM **Continental Breakfast** - Xanadu Ballroom Lobby
(Conference registrants only, please)

8:00-9:15 AM **Session 6: A New Look at Middle Class Savings**

"When Saving is Gambling"
J. Anthony Cookson – University of Colorado - Boulder (Finance)

"Saving for A Purpose: Financial Consequences of Protecting Savings"
Abigail Sussman –University of Chicago (Marketing)
Rourke O'Brien – Harvard University (Sociology & Policy)

Discussant: **Genevieve Melford** – Consumer Financial Protection Bureau

9:15-9:30 AM **Beverage Break** - Xanadu Ballroom Lobby

9:30-10:45 AM **Session 7: Hidden Costs**

"The Evolution of Credit Card Contracts: Risk-Based or Bias-Based?"
Ben Keys – University of Chicago (Public Policy)
Jialan Wang – Consumer Financial Protection Bureau (Economics)

"Tax Aversion in the Wild"
Sam Swift – Betterment (Data Science)
` Daniel Egan – Betterment (Decision Science)
Abigail Sussman – University of Chicago (Marketing)

Discussant: **Lauren Willis** – Loyola Law School

10:45-11:00 AM **Beverage Break** - Xanadu Ballroom Lobby

11:00-12:15 PM **Session 8: Life Cycle Spending, Saving, & Investing**

"License to Spend: Consumption-Income Sensitivity and Portfolio Choice"
Jawad Addoum – University of Miami (Finance)
Stefanos Delikouras – University of Miami (Finance)
George Korniotis – University of Miami (Finance)

"Consumer Credit and Debt in The Short Term and Over The Life Cycle"
Scott Schuh – Federal Reserve Bank of Boston
Scott Fulford – Boston College (Economics)

Discussant: **Dan Bartels** – University of Chicago (Marketing)

12:20-1:45 PM **Lunch Break**– The Mediterranean Restaurant, 1002 Walnut Street
Conference registrants only please.

2:00-3:15 PM **Session 9: Puzzles in Stock Market Investing**

"Do Day Traders Rationally Learn About Their Ability?"
Terrance Odean – University of California, Berkeley (Finance)
Brad Barber – University of California, Davis (Finance)
Ti-Tusng Lee – Peking University (Accounting)
Yu-Jane Liu – Peking University (Finance)

"(Almost) Everyone Misunderstands the Benefits of Diversification"
Nicholas Reinholtz – University of Colorado - Boulder (Marketing)
Bart de Langhe – University of Colorado - Boulder (Marketing)
Philip Fernbach – University of Colorado - Boulder (Marketing)

Discussant: **Matt Jones –** University of Colorado (Psychology & Neuroscience)

3:15-3:30 PM **Beverage/Snack Break** (Xanadu Ballroom Lobby)

3:30-4:45 PM **Session 10: Choice Architecture, Defaults, and Competition**

"Behavioral Competitive Effects of Partitioning Health Insurance Recommendation Lists"
Tom Baker – University of Pennsylvania (Law)
Benedict Dellaert – Erasmus University Rotterdam (Economics)
Eric Johnson – Columbia University (Marketing)

"Retirement Savings: A Tale of Decisions and Defaults"
Hazel Bateman – University of New South Wales, Australia (Economics)
Isabella Dobrescu – University of New South Wales, Australia (Economics)
Xiaodong Fan – University of New South Wales, Australia (Center for Excellence in Population Ageing Research)
Susan Thorp – University of Sydney (Finance)

Discussant: **On Amir** – U.C. San Diego (Marketing)

4:45-5:00 PM **Closing Remarks**
Speaker: **John Payne** – Duke University (Management)

Poster Presentations by Category
Sunday, May 31st, 4:30-6:30 PM, St. Julien, Outdoor Terrace (Weather permitting)

Financial Literacy and Education

1. "Can Financial Advice Act as a Substitute for Financial Literacy?"
   Michelle Reyers – University of Pretoria (Financial Management)

2. "Immigrant Financial Decision Making: Use of Bank and Nonbank Financial Services"
   Sherrie Rhine – Federal Deposit Insurance Corporation
   Joyce Northwood – Bureau of Labor Statistics

"Opening Schumer's Box: The Empirical Foundation of Modern Consumer Credit Card Disclosure Law and Policy"
   Hosea Harvey – Temple University (Law)

Dynamics of Income, Consumption, and Debt

3. "Does Debt Beget Debt? The Role of Loan Size in Student Loan Borrowing Decisions"
   Aimee Chabot – University of California, San Diego (Psychology)

4. "Income Stability and Mortgage Default"
   Meagan McCollum – Louisiana State University (Finance)

5. "The Effect of Changes in Future Income on Present Consumption"
   Anja Schanbacher – London Business School (Marketing)

6. "Consumer Credit Dynamics and Equity Extraction by Senior Homeowners"
   Maximilian Schmeiser – Federal Reserve Board (Economics)

Consequences of Financial Adversity

7. "Identity Theft as a Teachable Moment"
   Slava Mikhed – Federal Reserve Bank of Philadelphia (Finance)

8. "Changes in Household Wealth and Health Status during the Great Recession: What Really Matters?"
   Fenaba Addo – University of Wisconsin-Madison (Consumer Science)

Emergency Savings

9. "Soft versus Hard Commitments: A Test on Savings Behaviors"
   Jeremy Burke – RAND Corporation (Behavioral Finance)

10. "Impulse Savings: Evaluating the Impacts of Piggymojo/MAGIC Mojo"
   Jeanne Hogarth – Center for Financial Services Innovation (Consumer Financial Behavior)

11. "The Power to Know What You Have: Feeling Powerful Facilitates Money Monitoring"
   Emily Garbinsky – Stanford University (Marketing)

12. "Why Don't Younger People Save? Results of the Savings Britain Survey"
   Helen Colby – UCLA (Marketing)

Risk and Uncertainty

13. "Biases in Using Information to Evaluate Uncertain Financial Prospects"
   Uma Karmarkar – Harvard Business School (Decision Neuroscience)

14. "The Uncertainty of Reference Points: Evidence from Tax Refunds"
   Nilton Porto – University of Rhode Island (Human Development and Family Studies)
   J. Michael Collins – University of Wisconsin Madison (Consumer Science)
15. "The Curious Case of Negative Volatility"
   Christoph Merkle – University of Mannheim (Finance and Banking)

Family and Peer Effects

16. "Boomeranged! The Effect of Co-Residing Adult Children on the Housing Consumption and Labor Supply of their Parents"
Ryan Goodstein – Federal Deposit Insurance Corporation (Economics)

17. "We're in this Together: The Role of the Intra-Household Economy in Retirement Planning and Well-Being"
Dee Warmath – University of Wisconsin-Madison (Consumer Science)

18. "The Effect of Peer Observation on the Consumption of Temptation Goods: Experimental Evidence"
Antonia Grohmann – DIW Berlin (Economics)

Investment Behavior

19. "Portfolio Composition as a Driver of the Disposition Effect"
Ori Beeri – Ben Gurion University

20. "Risk Taking Begets Risk Taking: Evidence from Casino Openings and Investor Portfolios"
Chi Liao – University of Manitoba (Finance)

21. "The Influence of Stress on Investor Behavior – An Experimental Analysis"
Theresa Spickers – Ludwig Maximilians University of Munich (Capital Markets and Corporate Finance)

22. "Underinvestment in Profitable Opportunities"
Pavel Atanasov – University of Pennsylvania (Psychology)

Choice Architecture

23. "The Power of Active Disclosure: The Effect of Self-Certification on the Private Student Loan Market"
Xiaoling Ang – Consumer Financial Protection Bureau

24. "Balance Reframing: Paying by the Purchase Promotes Higher Repayments"
Grant Donnelly – Harvard University (Marketing)

25. "Preference Checklists as Choice Architecture"
Melissa Knoll – Consumer Financial Protection Bureau

26. "Helping Consumers Make Better Mortgage Decisions: Iterative UX Research in Action"
Brian Griepentrog – Fors Marsh Group, LLC

27. "Do the Elderly Save Too Much?"
Emilio Bisetti – Carnegie Mellon University (Finance)

28. "Friends, Family and Framing: An International Comparison of Longevity Expectations Formation"
Susan Thorp – University of Sydney (Finance)

29. "Solving the Annuity Puzzle: The Role of Mortality Salience in Retirement Savings Decumulation Decisions"
Linda Salisbury – Boston College (Marketing)

30. "YOLO: Can Subjective Life-Expectancies Explain Household Investment Puzzles?"
Rawley Heimer – Federal Reserve Bank of Cleveland (Finance)

2014 Boulder Summer Conference on Consumer Financial Decision Making May 18-20, 2014

St. Julien Hotel and Spa, Xanadu Ballroom

PROGRAM AND ABSTRACTS

Sunday, May 18

1:00-2:00 PM	**Conference Packet Pick-up & Poster Setup** St. Julien, Xanadu Ballroom Lobby
2:15-2:30 PM	**Welcome** (John Lynch and Donnie Lichtenstein) Xanadu Ballroom
2:30-3:00 PM	**Opening Keynote Remarks** "Retirement Plan Leakage" **David Laibson -** Harvard University (Economics)
3:00-4:15 PM	**Keynote Panel Discussion on Retirement Plan Leakage** **Winfield Evens -** Aon Hewitt Investment Strategy and Retirement Research Group **Aron Szapiro -** Hello Wallet Consumer Finance **Laraine McKinnon -** BlackRock
4:15-4:30 PM	**Break**
4:30-6:30 PM	**Poster Session and Reception** St. Julien, Outdoor Terrace (weather permitting) (Conference registrants only, please)

Biographies:
David Laibson is the Robert I. Goldman Professor of Economics at Harvard University. Laibson is also a member of the National Bureau of Economic Research, where he is Research Associate in the Asset Pricing, Economic Fluctuations, and Aging Working Groups. Laibson's research focuses on the topic of behavioral economics, and he leads Harvard University's Foundations of Human Behavior Initiative. Laibson serves on several editorial boards, as well as the boards of the Health and Retirement Study (National Institutes of Health) and the Pension Research Council (Wharton). He serves on Harvard's Pension Investment Committee. He also serves 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 ΦBK Prize and a Harvard College Professorship.

Winfield Evens leads the Investment Strategy and Retirement Research groups for Aon Hewitt's Defined Contribution Outsourcing division. His primary responsibilities are identifying, creating, and deploying investment-related strategies that impact and grow Aon Hewitt's retirement administration business. Win also leverages his extensive experience in 401(k) plan design, investment manager selection, and retirement research to help plan fiduciaries better construct and evaluate their defined contribution plans. Additionally, he is an expert in the evaluation of total plan cost and defined contribution investment structure. He is regularly quoted in publications, including recent articles in Pensions & Investments, The Wall Street Journal, Treasury & Risk, and Institutional Investor, and was published in Human Resource Executive. Win is based in Lincolnshire, Illinois. He has more than 21 years of experience in both the defined contribution and investment management industries. He earned his Master of Business Administration from the University of Chicago's Booth School of Business, and received a Bachelor of Science degree in labor relations from the Pennsylvania State University. Additionally, he holds the Chartered Financial Analysts (CFA) designation and is a member of the CFA Society of Chicago.

Aron Szapiro is a finance and policy expert, who has written numerous reports on retirement and pensions. He currently serves as a subject matter expert at Washington DC-based HelloWallet. In this role, he oversees the development of software that helps American workers make the most of their salary and benefits by providing guidance on topics from budgeting to retirement savings to using Health Savings Accounts. Mr. Szapiro previously worked for the U.S. Government Accountability Office (GAO) specializing in retirement security issues and pension plan policy. In that role, he worked on a diverse array of retirement security issues from examining questionable practices in the pension advance industry to evaluating the effectiveness of the Saver's Credit. He also examined older workers in the recent economic downturn, which illuminated some key reasons that people use their retirement savings for nonretirement purposes. He has also written about technical issues related to defined benefit plans, such as discount rate policies and cost allocation on Federal Government contracts. Prior to the GAO, Mr. Szapiro worked for the Speaker of the New Jersey General Assembly on tax and pension reform. He holds a Master's of Public Policy from Johns Hopkins University.

Laraine McKinnon, Managing Director, is a member of the US & Canada Defined Contribution Group at BlackRock. Laraine is a retirement readiness expert who helps senior finance, human resource and business executives optimize their participant-directed retirement savings plans to help improve participant outcomes, drive employee engagement, and strengthen their organizations. Her work with Fortune 500 firms, state pension plans and other major employers includes consultation on plan design features and investment strategies that fit the culture of the organization and meet the needs of employees. She also works with key stakeholders and partners including advisors, consultants and record-keepers. Laraine develops, collaborates on, and promotes BlackRock's thought leadership on retirement, including breakthrough research on retirement engagement and new tools to help quantify the implications of participants' savings and investment decisions by projecting future outcomes. Laraine's service with the firm dates back to 1994, including her years with Barclays Global Investors (BGI), which merged with BlackRock in 2009. Her prior roles include sales and relationship management with multi-billion dollar corporate and public pension and savings plans, endowments and foundations, sovereign wealth funds and investment consultants. She began her career supporting index and asset allocation portfolio management, including LifePath®, the industry's first target date fund. Laraine participates in a variety of industry groups and is a frequent speaker at client and industry conferences. She earned a BA degree, cum laude, in political science and women's studies from Wellesley College and lives with her family in Silicon Valley.

Monday, June 1st

7:00-8:00 AM **Continental Breakfast**
Xanadu Ballroom Lobby (Conference registrants only, please)

8:00-9:15 AM **Session 1: Nudging Spending & Debt**

Discussant: **Eric Johnson** - Columbia University (Marketing)

"Information Architecture and Intertemporal Choice: A Randomized Field Experiment in the United States"
Yaron Levi – UCLA (Finance)

Abstract: In a randomized field experiment, I show that information architecture significantly affects individuals' spending and savings behavior. I present users of a large online account aggregation provider with a personalized financial index. This index represents the inflation-protected, lifetime monthly cash flow that they can obtain, given their personal financial and demographic information and current market prices. Users receiving this information tool reduce their spending by 10.7% relative to a control group. This effect is sensitive to the description of the index using a consumption frame rather than an investment frame and to the presentation of an explicit comparison between the index and historical spending levels. Further, spending reductions are primarily in large, infrequent transactions. This experiment is the first to directly affect overall spending behavior and to demonstrate the importance of information architecture in that context. It demonstrates the potential of low cost digital information tools to impact financial behavior on a large scale.

"Nudging Credit Scores in the Field: The Effect of Text Reminders on Creditworthiness in the U.S."
Anat Bracha – Federal Reserve Bank of Boston
Stephan Meier – Columbia University (Management)

Abstract: In this paper we present evidence from a field experiment on the effect of text message reminders and credit card APR (annual payment rate) information on credit scores of low-to-moderate-income individuals. We find that individuals who initially had a low credit score benefited significantly from receiving the text reminders, while individuals who initially had a mid or high score did not. The positive effect on low-score individuals stems from the reduction of debt and better payment patterns. For mid-score individuals, we find a positive effect on payment patterns but no effect on credit scores; this may be because a better payment pattern is slower than a worse payment pattern to affect a credit score. For initially high-credit score individual, we find a negative effect on credit scores, due to higher collection accounts. As for APR information, we find only sporadic effects: it helped reduce the number of inquiries for low-score individuals and reduce collection accounts of mid-score individuals, yet it contributed to greater past-due balances of high-score individuals.

Biographies:
Eric Johnson is a faculty member at the Columbia Business School at Columbia University where he is the Director of the Center for Decision Sciences. His research examines the interface between Behavioral Decision Research, Economics and the decisions made by consumers, managers, and their implications for public policy, markets and marketing. Among other topics, Johnson has explored how the way options are presented to decision-makers affect their choices in areas such as organ donation, the choice of environmentally friendly products, and investments. After graduation from Rutgers University, he received his M.S. and PhD. in Psychology from Carnegie-Mellon University, and was a National Science Foundation postdoctoral fellow at Stanford. He previously has taught at Carnegie Mellon, was a visiting professor at the Sloan School at MIT, was the inaugural holder of the David W. Hauck Chair in Marketing, and a Professor of Operations and Information Management and Psychology at the University of Pennsylvania. The National Science Foundation, The National Institutes of Health, The Alfred P. Sloan

and Russell Sage Foundations, and the Office of Naval Research have supported his research. He was awarded the Distinguished Scientific Contribution. Award from the Society for Consumer Psychology, and named a Fellow by the Association for Consumer Research, was awarded an honorary doctorate in Economics from the University of St.Gallen, and is a Fellow of the TIAA-CREF Institute Fellow and the Association for Psychological Science. According to the Institute for Scientific Information, he is one of the most highly cited scholars in Business and Economics. In 2014-2015 he was Senior Visiting Scholar at the Consumer Financial Protection Bureau.

Yaron Levi is an assistant professor of finance at the USC Marshall School of Business. He received his PhD from UCLA Anderson in 2015. Yaron's research interests include household finance, corporate finance, and behavioral economics. His current research focuses on better understanding the effects of information design on investment and consumption decisions of individuals.

Anat Bracha is a senior economist in the research department of the Federal Reserve Bank of Boston. In her research she incorporates psychological motives into standard economic models of decisionmaking under risk, and examines motives such as image motivation and status in prosocial behavior. In the context of labor market, her work explored the effect of relative ranking in terms of relative pay and labor supply as well as the effect of competitive incentives on whether individuals working harder or working smarter. Her work has been published in the American Economic Review , Management Science, the Journal of Public Economics, the Journal of Labor Economics, Economic Letters, and Games and Economic Behavior . Bracha received her Ph.D. in economics from Yale, and prior to joining the Fed in 2009 she was an assistant professor at Tel Aviv University and a post-doc associate at MIT.

9:30- 10:45 AM **Session 2: Inequality, Stratification, & Debt**

Discussant: **Mark Cole** – Hope LoanPort

"Inequality and Financial Distress: Evidence from Lottery Winners and Neighboring Bankruptcies"

Barry Scholnick – University of Alberta (Finance)
Sumit Agarwal – National University of Singapore (Economics)
Slava Mikhed – Federal Reserve Bank of Philadelphia (Payment Cards Center)

Abstract: We provide new evidence on the hypothesis that income inequality causes financial distress, because poorer individuals attempt to match the consumption of the rich. Our identification strategy examines the impacts of lottery prizes, of random dollar magnitudes, on the bankruptcy filings of very close neighbors of the winners (average of 13 households). We find that the larger the size of lottery prizes, the more subsequent bankruptcies among the winners' close neighbors. We also provide evidence on conspicuous consumption as a mechanism for this causal relationship. The larger the size of lottery prizes, the greater the possibility of visible assets (house, car), but not invisible assets (cash, pension, securities), appearing on the balance sheets of neighboring bankruptcy filers.

"Household Use of Financial Products and Services and Wealth Inequality"

Angelina Grigoryeva – Princeton University (Sociology)

Abstract: Since the 1980s, American households have dramatically changed their financial behavior, as signified by increasing use of consumer financial products and services. Furthermore, not only do American households confront an increasing variety of financial choices, but financial innovations make these choices increasingly more complex. By its nature, household financial behavior (i.e., decisions and choices about how to command the money) is likely to have profound implications for the household's financial well-being (i.e., the amount of money owned). However, little academic research has systematically examined patterns of household financial practices and the consequences for wealth processes and outcomes. This study examines patterns of household financial practices and implications for wealth mobility in the era of mass-participatory finance and growing inequality. Using the Survey of Consumer Finances (SCF), the study reports four main findings. First, a wide range of financial attitudes and behaviors related to the use of consumer financial instruments and financial prudency habits cohere in meaningful patterns that reflect distinctive financial practices. Importantly, these household financial

practices remain relatively stable over time, even during the period of historically unprecedented economic turmoil. Second, household financial practices are socially stratified, that is, vary by socio-economic status. Third, household financial practices appear to have distinctive effects on household wealth mobility, above and beyond standard socio-economic variables usually considered in the inequality literature. Finally, although the specific patterns varied by the historic period, the substantive conclusions remain similar for both the 1980s and late 2000s. Together, the findings provide a unique description of household financial practices in the era of mass-participatory finance and point to their role of household financial practices in wealth mobility processes as a new mechanism of inequality.

Biographies:
Mark Cole is an Executive Vice President and Chief Strategy Officer for Hope LoanPort. He is responsible for expanding the capabilities of Hope LoanPort's technology platform, particularly in the regulatory, technology and consumer advocacy sectors. Cole has served as a senior-level executive in the nonprofit financial counseling sector for more than 25 years. Prior to joining Hope LoanPort, he served for more than 10 years as Chief Operating Officer for CredAbility(now ClearPoint Credit Counseling), one of the nation's largest nonprofit credit counseling agencies. He has also served as President of Personal Debt Solutions, Chief Operating Officer for the National Foundation for Credit Counseling and President of Consumer Credit Counseling Service of Greater Fort Worth, Texas. Cole currently serves as board chairman of Neighborhood Nexus, a collaborative to bring better data to metro Atlanta decision-makers. He previously served as board chairman of the Better business Bureau of Metropolitan Atlanta and previously served on the board of directors for Hope LoanPort Inc.; Community Friendship, a supportive community for adults with disabling mental illness, and TechBridge, helping nonprofits use technology to serve the community. Cole holds a bachelor's degree from the University of Texas at Arlington.

Barry Scholnick is the Alex Hamilton Professor of Business and a Winspear Senior Faculty Fellow at the University of Alberta, School of Business. He received his PhD in Economics at the University of Cambridge. His research interests include Household Finance and International Business. His research has been published in journals such as the Review of Economics and Statistics, Journal of International Business Studies, the Journal of Business, and the Journal of Money, Credit and Banking. He was formerly on the editorial board of the Journal of Banking and Finance. He is a multiple winner of teaching awards at the MBA, EMBA and B.Com levels. He is currently the Director of the MBA Specialization in International Business at the University of Alberta, School of Business.

Angelina Grigoryeva is a PhD Candidate in Sociology at Princeton University and a graduate student fellow at the Rutgers University School of Management and Labor Relations. Her research interests include economic sociology, sociology of finance, organizational theory, and inequality and stratification. Her dissertation explores the patterns, causes, and consequences of household financial practices in the era of mass-participatory finance and growing inequality. Her other research projects include research on historical patterns of racial residential segregation in the U.S. (forthcoming in American Sociological Review, co-authored with Martin Ruef) and a study of the gender division of elder care among adult children (received awards for the Best Graduate Student Paper from the American Sociological Association (ASA) and Society for the Study of Social Problems (SSPSP) and was covered in Washington Post, USA Today and other media outlets). Her research has been supported by the Center for the Study of Social Organization at Princeton University, Fellowship of Woodrow Wilson Scholars, and Michael W. Huber Fellowship.

10:45- 11:00 AM **Beverage Break** (Xanadu Ballroom Lobby)

11:00-12:15 PM **Session 3: Timing of Income & Expense Flows & Debt Accumulation**

Discussant: **Gal Zauberman** – University of Pennsylvania (Marketing)

"The Effect of Income Timing on Short-term Borrowing: Evidence from Social Security Recipients"
Jesse Leary – Consumer Financial Protection Bureau
Jialan Wang – Consumer Financial Protection Bureau

Abstract: In this paper, we use a unique multi-lender administrative dataset to analyze the impact of income timing on the use of payday loans. Exploiting the staggered disbursement of benefits by the Social Security Administration for different groups of recipients, we are able to distinguish between patterns in borrowing driven by the benefit income cycle and patterns resulting from monthly expense cycles. We document two clear results that hold across all benefit recipient groups. First, borrowing is relatively flat for most of the period between benefits payments, but falls off substantially starting about 20 days into a benefits cycle. Given the pattern observed in prior research of declining consumption over a pay cycle, we might expect to see borrowing increase late in the cycle as recipients run out of money and borrow to smooth consumption. Instead, we see a substantial decline in borrowing late in the benefits pay cycle. Second, we find that there is little or no monthly expense cycle in borrowing. We find that borrowing patterns within a pay cycle are the same no matter what time of month consumers receive their benefits payment. The lack of an intra-month expense cycle implies that payday borrowing is not driven by consumers failing to plan for recurring monthly expenses, but rather by unexpected expense shocks, or other expenses that while predictable in theory, may not be fully accounted for by consumers.

"Timing is Money: Does Lump-Sum Payment of Tax Credits Induce High-Cost Borrowing?"

Lauren Jones – University of Toronto (Martin Prosperity Institute)
Katherine Michelmore – University of Michigan (Education Policy Initiative)

Abstract: Since the advent of welfare reform in 1996, spending on tax credits targeted towards low-income families has far surpassed spending on traditional welfare. The shift away from delivery of transfer income through the welfare system to delivery through the tax code means that, instead of receiving a consistent, monthly welfare check, many families receive a lump-sum payment when they file their taxes each year. While lump-sum delivery of benefits can be a helpful savings mechanism to allow families to purchase large items that would be otherwise unaffordable (Tach and Halpern-Meekin 2014), it may also induce families to take on costly debt throughout the year in anticipation of tax refunds come tax time. In this paper, we investigate the extent to which the once-a-year timing of benefit payments induces families to take on additional unsecured debt. Using the Survey of Income and Program Participation (SIPP) wealth topical modules from 1990 to 2008, we use a simulated instruments approach to estimate the impact of tax credit program expansions on household credit card debt. Results suggest increases in tax credit generosity are associated with increases in credit card and other unsecured debt. We also identify a seasonal pattern of debt accumulation for EITC-eligible households that reflects the once-a-year timing of benefits structure: low-income households are much more likely to pay down their debt in the months surrounding tax filing compared to their higher-income counterparts.

Biographies:

Gal Zauberman is the Laura and John J. Pomerantz Professor of Marketing and Professor of Psychology at The University of Pennsylvania's Wharton School. His academic background includes a B.A. with Highest Honors in Psychology and Economics from The University of North Carolina, Chapel-Hill, and a PhD in Marketing from Duke University. Professor Gal Zauberman studies consumer behavior, time in judgment and decision making, financial decision making, and memory for emotions and choice. In his research, Professor Zauberman focuses on factors that affect individuals' evaluations, preferences, and choice, with specific interest in the role of time in judgment and decision-making. He won numerous awards, including the William O'Dell and the Paul Green best paper awards, and the 2007 Early Career Award for Distinguished Contributions to Consumer Psychology, Society for Consumer Psychology. His research has been published in top-tier academic journals including the Journal of Consumer Research, Journal of Experimental Psychology: General, the Journal of Marketing Research, Management Science, and Psychological Science, and received international media coverage, including the New York Times, Scientific American, and others.

Jesse Leary is a Section Chief in the Office of Research at the Consumer Financial Protection Bureau. He was the first economist in the Office of Research and played a central role in building the Office. In his current role, he supervises policy research projects and the work of economists in the policy development process, as well as related regulatory impact analyses. His primary areas of focus at this time are small dollar credit and checking account overdraft. He is the author of Bureau reports on payday lending, checking account overdraft, and credit reporting. Prior to joining the CFPB in 2011, Mr. Leary spent just over a decade at the Federal Trade Commission. At the FTC, he worked on a wide range of consumer protection matters, including credit reporting and scoring, deceptive lending, lending discrimination, and deceptive advertising. He held several management positions in the FTC's Bureau of Economics, including supervising the Division of Consumer Protection, the group of economists who support all aspects of the Commission's consumer protection mission. Mr. Leary has a Ph.D. in Labor Economics from Cornell University.

Lauren Jones is a postdoctoral fellow at the Martin Prosperity Institute at the Rotman School of Management, University of Toronto. She conducts policy-based research on child and family wellbeing, especially in the areas of health and household economics. Her recent work has focused on child mental health, tax policy and household finance. In particular, she has investigated how families use income from child tax benefit programs to benefit children in Canada, and the implications of benefit payment timing for borrowing behavior in the USA. In the area of child mental health, Lauren's work focuses on ADHD and the changing impacts of the causes, treatment and effects of the condition. In September 2015, Lauren will start as an assistant professor of Consumer Science at The Ohio State University, and as an affiliated faculty member of the School of Public Policy and Governance at the University of Toronto. Lauren received her PhD from in Policy Analysis and Management at Cornell University in 2014.

12:20- 1:45 PM **Lunch Break** – The Mediterranean Restaurant, 1002 Walnut Street
(Conference registrants only, please)

2:00- 3:15 PM **Session 4: Moral Hazard & Mortgage Repayment**

Discussant: **Isaac Hacamo** – Indiana University (Economics)

"When the Cat's Away: Payment Behavior During a Foreclosure Moratorium"
J. Michael Collins – University of Wisconsin-Madison (Consumer Finance)
Carly J Urban – Montana State University (Economics)

Abstract: Mortgages are contracts between lenders and borrowers, and courts in about half of all states are obligated to administer sanctions in the case of a default on that contract. During the housing bust of the late 2000s, there was widespread attention to cases where borrower rights were not protected. New Jersey implemented a substantive 8-month moratorium on foreclosures in 2011, targeted to just 6 mortgage servicers widely accused in the media as not following due process. Using a difference-in-difference-in-differences strategy that exploits variation in the moratorium by mortgage servicer, state, and over time, we document that the New Jersey moratorium did not result in increased defaults, but rather increased the rate of borrowers in default making payments. We rule out changes in lender behavior using a variety of tests and comparisons. Borrowers subject to the moratorium are more likely to still be in their homes at least up to 3 years after the New Jersey policy concluded. These results underscore the importance of the enforcement of contract provisions for borrower decision-making. As much as lenders criticize the pace and cost of judicial foreclosures, enhanced trust of the legal process may benefit lenders. A borrower who lacks trust in due process is not going to be as willing to cooperate with his lender. Courts and policymakers under pressure to weaken the level of external review of credit default procedures should carefully consider how borrowers in default will perceive such changes, and how repayment patterns will respond.

"The Effects of Debt Forgiveness on Mortgage Borrower Behavior and Financial Outcomes"
Sean Hundtofte – Yale University (Financial Economics)

Abstract: I study the results of a field experiment that randomizes offers of debt relief to delinquent mortgage borrowers. Offers of debt forgiveness on a second mortgage increase the likelihood of borrower repayment, but a majority of borrowers (72%) who respond with repayment fail to complete the terms of the offer (three reduced payments and a completed paperwork task). Moreover, borrowers on average receive no benefit in terms of credit score, foreclosure, or bankruptcy outcomes. To address an experimentally-limited size of control group, I employ a regression discontinuity design and find a similar lack of observable benefit to

treated borrowers. From a financial point of view, it appears borrowers over-repay their debt. I construct a simple model to illustrate that, if borrowers hold imprecise priors around their ability to complete a modification offer, a blanket offer will attract mistaken and overconfident borrowers. I estimate the model and reconcile the high failure rates using key moments from the data. Consistent with a view of many of the repayments as mistakes by overconfident borrowers, I find those borrowers more likely to try and fail in their repayment of the debt are less sophisticated, young, and male.

Biographies:
Isaac Hacamo's research lies in the intersection of household finance and macroeconomics. He is interested in understanding how financial decisions at the household level affect the macroeconomy, and how in turn macroeconomic conditions shape household decisions. He has studied the effect of expansion of credit supply in the beginning of the 2000s on household's family structure; and, in recent work, he studied how monetary policy interventions affect wealth inequality by redistributing housing wealth. Much of his work has elements of financial intermediation, real estate, and corporate finance. Isaac is an assistant professor in the finance department of Kelley School of Business at Indiana University in Bloomington. He joined Kelley after finishing his PhD in finance at University of California at Berkeley.

J. Michael Collins is Associate Professor of Public Affairs and Human Ecology, as well as the Faculty Director of the Center for Financial Security at the University of Wisconsin–Madison. He is a faculty affiliate of the Institute for Research on Poverty, and the Center for Demography and Ecology. Collins studies consumer decision-making in the financial marketplace, including the role of public policy in influencing credit, savings and investment choices. His work includes the study of financial capability with a focus on low-income families. He directed the Social Security Administration Financial Literacy Research Consortium site at Wisconsin (2009-2012). He is involved in studies of mortgage foreclosure and family well-being supported by the John D. and Catherine T. MacArthur Foundation, financial counseling supported by the Annie E. Casey Foundation, and emergency savings policies for the C.S. Mott Foundation. Collins brings nearly a decade of applied experience to his research. He founded PolicyLab Consulting Group, a research consulting firm working with national foundations and government agencies, and co-founded MortgageKeeper Referral Services, an online database for mortgage servicers and counselors. He also worked for NeighborWorks America (Neighborhood Reinvestment Corporation) and the Millennial Housing Commission. He holds a Ph.D. in policy analysis from Cornell University, a master's degree in public policy from the John F. Kennedy School of Government at Harvard University and a B.S. from Miami University (OH).

Sean Hundtofte is a PhD Candidate in the Financial Economics program at Yale. His research interests lie in household finance, behavioral economics & finance, and financial intermediation. Prior to his doctoral studies, he received a BSc (Hons) in Computer Science from the University of Glasgow, an MSE in Computer Science from Johns Hopkins University, and an MBA from Yale University. In a former life as a computer science researcher he pursued research in cognitive science, computer vision and computer-integrated surgery. After that, but before joining the PhD program at Yale, Sean worked for nine years in fixed income research and capital structure arbitrage in New York and London; led a portfolio management team at a large hedge fund in Connecticut; and invested in distressed debt and managed the mortgage portfolio at an investment fund in Minneapolis. A combination of his computer science background and experience with consumer finance provided him with the motivation to pursue a PhD and conduct policy-relevant research looking into inefficient household outcomes related to financial distress and the lack of expertise, tools, and training households possess to complete complicated financial tasks.

3:15- 3:30 PM **Beverage/Snack Break** (Xanadu Ballroom Lobby)

3:30- 4:45 PM **Session 5: Personality, Debt, & Saving**

Discussant: **Tal Yarkoni** – UUniversity of Texas-Austin (Psychoinformatics Lab, Psychology)

“When Words Sweat: Written Words Can Predict Loan Default”

Oded Netzer – Columbia University (Marketing)
Alain Lemaire – Columbia University (Marketing)
Michal Herzenstein – University of Delaware (Marketing)

Abstract: The problem of identifying and predicting loan defaults is ever more important in the post 2008 financial crisis era. Traditional predictors for loan default commonly include quantifiable financial measures such as credit rating, debt-to-income ratio, and demographics of the borrowers. This paper presents empirical evidence that leveraging the text that borrowers write in their loan request significantly improves the prediction of repayment behavior above and beyond traditional measures. We find that people leave meaningful traces in the words they use to request a loan that are predictive of their loan repayment patterns sometimes years after requesting the loan. We automatically process the raw text in over 18,000 loan requests from Prosper.com, an online crowdsourcing platform. Using an ensemble learning algorithm we show that leveraging the textual information in loan requests improves our ability to predict loan default by 4-5.7% over the traditionally used financial information. This improvement can save Prosper crowdfunding lenders over $1.4 million annually. Using a naïve Bayes analysis and the LIWC dictionary of writing styles we find that those who default write about financial hardship and tend to discuss outside sources such as family, god and chance in their loan request, while those who pay in full express high financial literacy in the words they use. Further, we find that writing styles associated with extraversion, agreeableness and deception are correlated with default.

“Procrastination, Present-Biased Preferences, and Financial Behaviors”

Alessandro Previtero – University of Western Ontario (Finance)
Jeffrey Brown – University of Illinois (Finance)

Abstract: We provide new and robust empirical evidence that procrastinators behave differently than non-procrastinators for five important retirement-related financial behaviors. Empirically, we define a procrastinator as an individual who waits until the last day of their health care open enrollment period to make their plan election. Using three separate administrative data sets, we show that procrastinators are: (i) less likely to participate in a supplemental savings plan, (ii) take longer to sign up for 401(k) plans, (iii) contribute less, (iv) are more likely to stick with default portfolio allocations, and (v) are less likely to take the annuity payout option from their DB plan, especially when the plan is framed so as to make the investment features more salient. Further evidence shows that these findings are best explained by procrastination being the outcome of present-biased preferences, consistent with the predictions of leading economic models of procrastination.

Biographies:

Tal Yarkoni is Research Assistant Professor of Psychology at the University of Texas-Austin. He received his Ph.D. in Psychology from Washington University in St. Louis in 2009. He completed a postdoctoral fellowship at the University of Colorado Boulder. Dr. Yarkoni’s research lies at the interface of psychology, neuroscience, and informatics. He is broadly interested in developing new methods to help improve the large-scale acquisition, organization, and analysis of psychological data. Areas of particular interest include (a) development of new tools for automated meta-analysis of functional neuroimaging data; (b) the cognitive and neural substrates of personality and individual differences; and (c) Big Data and machine learning applications to higher education.

Oded Netzer is an Associate Professor of Business at Columbia University. Oded’s research centers on one of the major business challenges of the data-rich environment of the 21st century: developing quantitative methods that leverage data to gain a deeper understanding of customer behavior and guide firms’ decisions. He focuses primarily on building statistical and econometric models to understand how customer choices change over time, and across contexts. His recent research focuses on leveraging textual information for business decisions. Professor Netzer received a B.Sc. in Industrial Engineering and Management from the Technion and a M.Sc. in Statistics and a Ph.D. in Business, both from Stanford University. His research has appeared in top academic journals including: Journal of Marketing Research, Marketing Science, Quantitative Marketing and Economics, Marketing Letters and Journal of Consumer Psychology. He is the winner of multiple research and teaching awards. Prior to joining Stanford, Professor Netzer was a senior consultant in a marketing research, strategy and economic consulting group.

Alessandro Previtero is the MBA Class '80 Finance Assistant Professor at the Richard Ivey Business School, University of Western Ontario. He joined Ivey in 2010 after being a Postdoctoral Fellow at the UCLA Anderson School. Alessandro's research is in the field of behavioral finance, with special focus on consumer financial decision-making. His strength lays in the collection and analysis of novel datasets to answer key consumer finance questions. In the past, Alessandro has investigated the relationship between annuitization and framing of retirement plans; and annuitization and past stock returns. His current research speaks to: i) the tendency to procrastinate and retirement planning decisions; ii) the value of financial advice; and iii) the biological determinants of financial risk-taking. His work has been published in top-tier academic journals such as the Journal of Financial Economics and the Journal of Economic Perspectives. His research has also been covered by – among the others – the New York Times, the Wall Street Journal, Money Magazine, The Globe and Mail, National Post, Montreal Gazette and MacLean's. Alessandro has been an Academic Board Member for the ING Institute for Retirement Research and one of the Academic Advisors for the National Employment Savings Trust (NEST), a workplace pension plan promoted by the British government and expected to reach three to six millions members in the near future.

5:30-7:00 PM	**Reception -** Agora at the Riverside, 1724 Broadway Street (Partners and spouses welcome)

Tuesday, June 2

7:00-8:00 AM **Continental Breakfast** - Ballroom LobbyLobby
(Conference registrants only, please)

8:00-9:15 AM **Session 6: A New Look at Middle Class Savings**

Discussant: **Genevieve Melford** – Consumer Financial Protection Bureau

"When Saving is Gambling"
J. Anthony Cookson – University of Colorado - Boulder (Finance)

Abstract: This paper investigates whether financial gambles substitute for casino gambling using the introduction of lottery-linked savings accounts in Nebraska as a natural experiment. Using proprietary data on casino cash withdrawals, the introduction of savings lotteries induces consumers in affected regions to reduce casino gambling by half relative to unaffected regions. The estimated effect is stronger if savings lotteries and casino gambling have similar attributes, consistent with the interpretation that the effect reflects substitution across gambling products. Examining the substitution pattern more deeply, I find savings lotteries appeal most to high-dollar-value gamblers with better financial habits. These findings suggest that savings lotteries can be an effective tool to improve savings rates by appealing to gambling preferences, but the introduction of savings lotteries is not merely a substitute for financial education. Indeed, the impact of savings lotteries on casino gambling would be greater if consumers have better ex ante financial habits.

"Saving for a Purpose: Financial Consequences of Protecting Savings"
Abigail Sussman – University of Chicago (Marketing)
Rourke O'Brien – Harvard University (Sociology & Policy)

Abstract: Maintaining savings is an important financial goal. Yet, there are times when savings should be spent; for example, when people face unavoidable costs and spending savings means avoiding high-interest rate debt. Existing behavioral research has focused on consumer decisions between savings and discretionary spending and has developed interventions to promote savings in these contexts. However, when spending is non-discretionary, these interventions risk exacerbating a pattern found in economic research that people borrow high-interest rate debt while maintaining savings earning low levels of interest. We examine how mental accounting interacts with considerations of personal responsibility and guilt to contribute to this pattern. Specifically, we explore whether people will spend savings in times when they need money most: emergencies. Across six studies, we find that people's tendency to preserve savings in favor of borrowing from a high interest rate credit option varies as a function of the savings' intended use. Paradoxically, people are most likely to turn to high interest rate credit under the belief that doing so is the responsible option.

Biographies:
Genevieve Melford is the Senior Research Analyst in the Consumer Financial Protection Bureau (CFPB)'s Office of Financial Education. In this position, which she has held since January 2012, Ms. Melford leads the Office's research portfolio, including work to define and measure consumer financial well-being and effectiveness research on financial education and capability strategies. Prior to joining the CFPB, she served as Director of Research at CFED, a national nonprofit dedicated to expanding economic opportunity for low-income families and communities. Ms. Melford holds an M.P.A. from Princeton University's Woodrow Wilson School of Public and International Affairs and a B.A. in economics from Wesleyan University.

J. Anthony Cookson is an Assistant Professor of Finance at University of Colorado-Boulder, Leeds School of Business. His fields of specialization are household finance, corporate finance, and industrial organization. His current research focuses on various aspects of the American casino industry from household and financial decision making and risk taking to competition among casinos. In addition, he has an interest in understanding the broader role of finance in the economic system, and studies institutional determinants of lending and banking activity. He obtained his Ph.D. in Economics in 2013 from University of Chicago. Prior to Chicago, he obtained bachelor's degree in economics (2004) and master's degrees in Applied Economics (2006) and Statistics (2008), all from Montana State University.

Abigail Sussman is an assistant professor of marketing at The University of Chicago Booth School of Business. She is interested in how consumers form judgments and make decisions, from underlying mechanisms to applications. She investigates questions at the intersection of consumer behavior, psychology, and economics, with the aim of improving human welfare. Her central research examines psychological biases that can lead consumers to commit errors in budgeting, spending, and borrowing. She also explores how the same biases extend beyond financial domains to choices in other areas. Abby's research has been published in journals such as Psychological Science, the Journal of Marketing Research, and the Journal of Consumer Research and has been profiled in popular press including The Wall Street Journal, The Washington Post, and The Boston Globe. Her prior experience includes work at ideas42 and in the equity research division at Goldman Sachs. She earned a bachelor's degree from Brown University in cognitive science and economics, and a joint PhD from the psychology department and the Woodrow Wilson School of Public and International Affairs at Princeton University.

9:15-9:30 AM **Beverage Break** Xanadu Ballroom Lobby

9:30-10:45 AM **Session 7: Hidden Costs**

Discussant: **Lauren E. Willis** – Loyola Law School

"The Evolution of Credit Card Contracts: Risk-Based or Bias-Based?"

Ben Keys – University of Chicago (Public Policy)
Jialan Wang – Consumer Financial Protection Bureau (Economics)

Abstract: This paper uses recent changes in credit card contracts to test for whether issuers respond to behavioral biases in a dynamic context. During the 2000s, credit card pricing shifted toward increased fees. In particular, late and overlimit fees rose by 40% on average. We evaluate two hypotheses to explain this increase in penalty fees. We find no empirical support for fees as a form of risk-based pricing, which would lead to greater dispersion of fees correlated with default risk. Instead, we find that issuers increase fees at same time they increase the complexity and opaqueness of pricing through the usage of tiered fee structures, in which the size of penalty fees depend on the outstanding balance. Our results provide empirical support for recent models of behavioral contract theory, and emphasize the inability of competition to "unshroud" or "de-bias'" features of the credit card contract that are hidden from consumers.

"Tax Aversion in the Wild."

Sam Swift – Betterment (Data Science)
Daniel Egan – Betterment (Decision Science)
Abigail Sussman – University of Chicago (Marketing)

Abstract: Taxes occupy a unique place in investing. Although taxes on investments represent a certain loss to investors, they occur exclusively in conjunction with overall gains. In this research, we employ a unique data set of retail investors' behavior across both taxable and tax¬-deferred accounts through a period when the availability of real¬-time tax impact preview (TImP) information was tested and released. Investors could see the tax impact of certain actions before committing to them, allowing them to moderate the change to avoid taxes. This experiment provides a novel opportunity for understanding how investors respond to taxes when they are made salient. Consistent with prior research on tax aversion, we find that highlighting tax consequences significantly changes investment behavior. The rate and magnitude of asset allocation changes drop significantly when investors are notified of a positive tax owed. We find that investors do think about the effect of taxes differently than of investment losses. We find asset allocation changes are more prevalent in the taxable accounts, despite the economic implications of drawdowns being the same across both accounts, and no taxes being owed in tax deferred accounts. We propose that tax reminders can be used to leverage one bias (tax aversion) to assist in reducing others (e.g., overtrading and disposition effects).

Biographies:
Lauren E. Willis is a Professor at Loyola Law School Los Angeles, will be visiting at Cornell Law School in Fall of 2015, and has taught at Harvard Law School, Stanford Law School, and the University of Pennsylvania Law School. Willis's scholarship focuses on the intersection of consumer psychology, markets, and law. She appears to be the world's leading critic of financial literacy education. Her articles include *Why Not Privacy by Default?*, in the BERKELEY TECHNOLOGY LAW JOURNAL, *When Nudges Fail: Slippery Defaults,* in the UNIVERSITY OF CHICAGO LAW REVIEW, *The Financial Education Fallacy,* in the AMERICAN ECONOMIC REVIEW (Papers & Proceedings), and *Against Financial Literacy Education,* in the IOWA LAW REVIEW. Her most recent work, *Performance-Based Consumer Law,* forthcoming in the UNIVERSITY OF CHICAGO LAW REVIEW, suggests a fresh approach to consumer law, one that would require firms to demonstrate that their customers understand key product features and/or are nonetheless using the products suitably. Performance-based consumer law has the potential to incentivize firms to educate rather than obfuscate, develop product designs that align with rather than defy consumer expectations, and channel consumers to products that are suitable for the consumers' circumstances.

Ben Keys is an assistant professor at the University of Chicago Harris School and Co-Director of the Kreisman Initiative on Housing Law and Policy at the University of Chicago. He teaches courses on housing policy and the financial crisis, and statistics for public policy, and studies issues related to urban economics, labor economics, and consumer finance. Prior to joining the faculty of Chicago Harris, Keys worked as a staff economist at the Board of Governors of the Federal Reserve System in the division of Research and Statistics. His recent research focuses on credit cards, subprime mortgages, homeowner refinancing decisions, Fannie Mae and Freddie Mac, student loans, and personal bankruptcy. Keys holds a bachelor's degree from Swarthmore College and an M.A. and Ph.D. in economics from the University of Michigan. His research has been published in academic journals such as the Quarterly Journal of Economics, the Review of Financial Studies, and the Review of Economics and Statistics.

Sam Swift is a Data Scientist at Betterment, a New York city startup helping to modernize personal investing and retirement planning by optimizing returns net of fees, taxes, and behavior. His focus at Betterment is in using behavior data to create an investing platform that helps users reach their savings and investment goals. Sam received his PhD in Organizational Behavior from the Tepper School of Business at Carnegie Mellon University in 2012. Sam's graduate school research focused on negotiation, attribution errors in decision-making, and overconfidence. Sam was a postdoctoral scholar at UC Berkeley and a visiting scholar at Duke University. While a postdoc, he ran the data operations for the 'Good Judgment' team which won the novel multi¬year wisdom of the crowds geopolitical forecasting tournament hosted by the US intelligence community.

10:45-11:00 AM **Beverage Break** Xanadu Ballroom Lobby

11:00-12:15PM **Session 8: Life Cycle Spending, Saving, & Investing**

Discussant: **Dan Bartels** – University of Chicago (Marketing)

"License to Spend: Consumption-Income Sensitivity and Portfolio Choice"
Jawad Addoum – University of Miami (Finance)
Stefanos Delikouras – University of Miami (Finance)
George Korniotis – University of Miami (Finance)

Abstract: Contrary to the predictions of traditional life-cycle models, households do not engage in perfect consumption smoothing. Instead, consumption tracks current income. Similarly, weak evidence of income hedging runs against standard portfolio theory. We link these two puzzles by proposing a model in which current income is an entitlement to consume, or a license to spend. License-to-spend investors feel more entitled to consume as income rises and do not perfectly smooth consumption. Therefore, they are also less interested in the income hedging potential of financial assets. We test the license-to-spend model using data from the Panel Study of Income Dynamics and find that households whose consumption tracks current income also exhibit a weakened income hedging motive in their portfolio decisions. Overall, we show that the absence of income hedging is the portfolio choice analogue of imperfect consumption smoothing.

"Consumer Credit and Debt in The Short Term and Over The Life Cycle"
Scott Schuh – Federal Reserve Bank of Boston
Scott Fulford – Boston College (Economics)

Abstract: Little work has examined how unsecured consumer credit, such as the limit on credit cards, varies over the life-cycle, and how consumers respond to changes in their ability to borrow over the short and long term. Using a panel that contains a 5% sample of every credit account in the United States, we document large life-cycle variation in consumer credit. Credit limits increase rapidly early in life, growing by more than 400% between age 20 and 30. Debts grow almost as fast, however, and so credit utilization falls slowly, only reaching 20% by age 70. Individual credit utilization is extremely stable despite the large life-cycle, business cycle, and individual volatility of credit. The stable utilization means that consumer debts are very sensitive to changes in credit limits. We calculate that the average amount of extra debt acquired by an individual following an increase in her credit limit is about 40% of the change in limit within one quarter, and 60 to 90% in the long term.

Biographies:
Dan Bartels is an Assistant Professor who teaches Consumer Behavior at the University of Chicago Booth School Of Business. Prior to Chicago, he taught Behavioral Economics and Decision Making at Columbia Business School, completed his post-doctoral training at the Booth School of Business, and earned a Ph.D. in Cognitive Psychology from Northwestern University. His interests include judgment and decision making, consumer behavior, moral psychology, and the psychology of concepts and categories. Bartels' work has been published in *Cognition, Journal of Experimental Psychology: General, Psychological Science,* and the *Journal of Consumer Research.*

Jawad Addoum is an Assistant Professor of Finance at the University of Miami's School of Business Administration. Professor Addoum's research focuses on portfolio choice and empirical asset pricing. His current work examines the determinants of investment decision-making among individual and institutional investors, as well as the effects of investor behavior on stock returns. Professor Addoum received a Ph.D. in finance from Duke University's Fuqua School of Business. He completed his undergraduate degree in mathematics and statistics at the University of Waterloo, where he was awarded Dean's Honors. He also holds an undergraduate degree in finance from Wilfrid Laurier University, where he was a President's Centennial Scholar. Professor Addoum is also one of the founding Principals of Coral Gables Asset Management, a quantitative hedge fund where he serves as Portfolio Manager. Previously, Professor Addoum worked as a consultant in Ernst & Young's assurance, advisory, and business risk services groups. He has also served as a consultant for Bluecrest Capital Management.

Scott Schuh is Director of the Consumer Payments Research Center (CPRC) and a Senior Economist and Policy Advisor in the Research Department of the Federal Reserve Bank of Boston. He joined the Bank in 1997 after serving as an economist at the Board of Governors of the Federal Reserve System since 1991. Schuh also worked for President Reagan's Council of Economic Advisers, the U.S. Congressional Budget Office, and the U.S. Census Bureau. He currently teaches at Boston University, and has taught at Boston College and Johns Hopkins University. Schuh's current research focuses on consumer choices pertaining to money, payments, and banking, and on leading the CPRC to produce the annual *Survey of Consumer Payment Choice* and a new *Diary of Consumer Payment Choice.* His earlier research is in macroeconomics, labor economics, and international economics. A distinctive feature of Schuh's research agenda has been a focus on the microeconomic foundations of macroeconomic fluctuations and growth. He co-authored two books, including the award-winning *Job Creation and Job Destruction* (1995), and has published articles in journals such as the *Journal of Monetary Economics; International Economic Review; Journal of Money, Credit, and Banking; Review of Economic Dynamics;* and *Journal of International Economics.* Schuh earned a B.A. in economics and journalism from California State University, Sacramento in 1985, and a Ph.D. and M.A. in economics from Johns Hopkins University in 1992.

12:20-1:45 PM **Lunch Break** – The Mediterranean Restaurant, 1002 Walnut Street
(Conference registrants only, please)

2:00-3:15 PM **Session 9: Puzzles in Stock Market Investing**

Discussant: **Matt Jones** – University of Colorado (Psychology & Neuroscience)

"Do Day Traders Rationally Learn About Their Ability?"

Terrance Odean – University of California, Berkeley (Finance)
Brad Barber – University of California, Davis (Finance)
Ti-Tusng Lee – Peking University (Accounting)
Yu-Jane Liu – Peking University (Finance)

Abstract: We analyze the performance of and learning by individual investors who engage in day trading in Taiwan from 1992 to 2006 and test the proposition that individual investors rationally speculate as day traders in order to learn whether they possess the superior trading ability. Consistent with models of both rational and biased learning, we document that unprofitable day traders are more likely to quit and that day traders begin with relatively small trades that increase as they gain experience. Inconsistent with models of rational speculation and learning, we document that the aggregate performance of day traders is negative and that over half of day trading can be traced to traders with considerable experience and a history of losses.

"(Almost) Everyone Misunderstands the Benefits of Diversification"

Nicholas Reinholtz – University of Colorado - Boulder (Marketing)
Bart de Langhe – University of Colorado - Boulder (Marketing)
Philip Fernbach – University of Colorado - Boulder (Marketing)

Abstract: The concept and practice of diversification is essential to proper asset allocation and financial management. Unfortunately, many investors fail to properly allocate their investments and accordingly expose themselves to unnecessary risk. In this paper we examine consumer beliefs about the benefits and consequences of diversifying financial assets (e.g., stocks in a portfolio). We find that almost all consumers have false beliefs about the expected performance of diversified (vs. undiversified) stock portfolios. First, while diversification should reduce the volatility of returns, many consumers—particularly those low in financial literacy—in fact believe the opposite: They indicate the performance of diversified portfolios is harder to predict than a comparable undiversified portfolios. Second, most consumers—but particularly those high in financial literacy—indicate a belief that diversification increases portfolio returns. We propose and examine two separate psychological mechanisms, both rooted in the misunderstanding of statistics and financial advice, to account for these mistakes. Further, we show these biases in understanding can lead to suboptimal decision-making.

Biographies:

Matt Jones is an Associate Professor in the Department of Psychology and Neuroscience at the University of Colorado Boulder. He received an M.A. in Statistics (2001) and a Ph.D. in Cognitive Psychology (2003) from the University of Michigan. His research focuses on mathematical modeling of cognition, including learning, knowledge representation, and decision-making.

Terrance Odean is the Rudd Family Foundation Professor and Chair of the Finance Group at the Haas School of Business at the University of California, Berkeley. He is a member of the J*ournal of Investment Consulting* editorial advisory board, of the Russell Sage Behavioral Economics Roundtable, of the WU Gutmann Center Academic Advisory Board at the Vienna University of Economics and Business and is a *Wall Street Journal* Expert Panelist. He has been an editor and an associate editor of the *Review of Financial Studies,* an associate editor of the *Journal of Finance*, a co-editor of a special issue of *Management Science*, an associate editor at the *Journal of Behavioral Finance,* a director of UC Berkeley's Experimental Social Science Laboratory, a member of the Russell Investments Academic Advisory Board, a visiting professor at the University of Stavanger, Norway, and the Willis H. Booth Professor of Finance and Banking. As an undergraduate at Berkeley, Odean studied Judgment and Decision Making with the 2002 Nobel Laureate in Economics, Daniel Kahneman. This led to his current research focus on how psychologically motivated decisions affect investor welfare and securities prices.

Nicholas Reinholtz is a research associate in the marketing department at the University of Colorado Boulder and the Center for Research on Consumer Financial Decision Making. He has undergraduate degrees from Virginia Tech (mechanical engineering and political science) and a doctoral degree in marketing from Columbia University. Nicholas studies the psychology of judgment and decision making with a focus on consumer and financial contexts. Previous and ongoing work covers topics such as consumer search, customer retention, diversification, mental accounting, memory, and mind wandering. Nicholas's work has been published in the *Journal of Consumer Research* and *Motivation Science.* He has a wife and daughter, loves basketball and coffee, and prefers to use Oxford commas.

3:15-3:30 PM **Beverage/Snack Break** Xanadu Ballroom Lobby

3:30-4:45 PM **Session 10: Choice Architecture, Defaults, and Competition**

Discussant: **On Amir** – U.C. San Diego (Marketing)

"Behavioral Competitive Effects of Partitioning Health Insurance Recommendation Lists"
Tom Baker – University of Pennsylvania (Law)
Benedict Dellaert – Erasmus University Rotterdam (Economics)
Eric Johnson – Columbia University (Marketing)

Abstract: Online health exchanges provide consumers with easy access to a huge array of insurance products. Many commercial exchanges support consumers' decision making by allowing them to sort the products in terms of a measure of expected attractiveness. Yet, even in these sorted lists the task of selecting the best product can be daunting for consumers. Therefore some exchanges provide further guidance to consumers by partitioning the list of the product recommendations in a first subset of most highly recommended health insurance products, followed by the option to click through to see the full sorted list of available health insurances. We propose that this simple intervention generates behavioral shifts in consumer decision making which lead to an increase in the market share of the most highly recommended alternative (due to behavioral overweighing of the costs of having to click through to the next page), but a decrease in the market share of this alternative compared the other alternatives within the partitioned subset (due to a shift in towards a more compensatory decision strategy when initially being faced with only a smaller set of alternatives). We test these hypotheses in a field study and a controlled choice experiment.

"Retirement Savings: A Tale of Decisions and Defaults"
Hazel Bateman – University of New South Wales, Australia (Economics)
Isabella Dobrescu – University of New South Wales, Australia (Economics)
Xiaodong Fan – University of New South Wales, Australia (Center for Excellence in Population Ageing Research)
Susan Thorp – University of Sydney (Finance)

Abstract: We examine the behavior of members of an industry-wide pension fund to assess both the prevalence of defaults and their impact on retirement savings. Our empirical investigations show that preferences, demographic characteristics and labor mobility go a long way towards explaining the low active plan choice (or high defaulting) and overall level of pension benefits. Using a structural dynamic life-cycle model, we evaluate the ability of these empirically motivates decision drivers to explain retirement savings patterns. In our model, individuals decide how much to save in a setting that combines an irreversible automatic enrolment with an active decision regime. After automatic enrolment, there is an initial choice between two pension plans (defined benefit vs. defined contribution), and then members decide (possibly by default) their voluntary contribution and type of asset allocation. We estimate the model using the simulated method of moments on administrative data from a large Australian pension fund. Our results show that default settings strongly influence wealth accumulation. Such settings are also highly persistent, both over time and across decisions. Overall, our findings suggest that if defaults (particularly the irreversible ones) are not carefully designed, retirement savings can be severely affected.

Biographies:
On Amir's research focuses on using psychological and economic principles to identify successful strategies in different market settings. He investigates different customer decision-making mechanisms and their influences on pricing and promotion strategies, on decision making under risk and uncertainty, and on preference dynamics. He also writes about how insights from research on decision making and behavioral economics may be used to improve business practices and policy making.
Amir has received several research awards from the Marketing Science Institute and from the Robert Woods Johnson Foundation, including the prestigious O'Dell Award. Prior to coming to UC San Diego, he was an assistant professor of marketing at Yale University. Amir received his Ph.D. in management science and marketing from MIT's Sloan School of Management in 2003.

Tom Baker is the William Maul Measey Professor of Law and Health Sciences at Penn Law School. His research explores insurance, risk, and responsibility using methods and perspectives drawn from law, economics, sociology, psychology, and history. He is the co-director of the Health Insurance Exchange Research Group of Penn's Leonard Davis Institute of Health Economics, Reporter for the American Law Institute's Restatement of Liability Insurance Law, and a co-founder of Picwell, a health data analytics company that helps people pick the best health plan. In 2013 he received the Robert B. McKay award, a lifetime scholarly achievement award given by the Tort Trial and Insurance Practice Section of the American Bar Association. His B.A. and J.D. are from Harvard University.

Hazel Bateman is a Professor of Economics and Head of the School of Risk and Actuarial Studies at the University of New South Wales, Sydney, Australia. Hazel has research interests in private and public provision for retirement. Her current research interests include retirement saving decision making; financial literacy, financial advice, information disclosure and the governance, regulation and performance of pension funds. Prior to joining the University of New South Wales, Hazel worked as an economist in Tax Policy Division in the Australian Treasury. Hazel has a Bachelor of Economics (Honours first class) from the University of Queensland, and a PhD from the University of New South Wales, Sydney. Hazel has been a consultant on retirement income issues to a range of Australian and international organizations, most recently the China's Social Insurance Administration and the Korean Institute for Social Affairs (KIHASA). In 2012-13 Hazel was a member of the Australian Government's Superannuation Roundtable.

4:45-5 PM	**Closing Remarks** **John Payne** – Duke University (Management)

Biographies:
John Payne is the Joseph J. Ruvane Professor of Business Administration at the Fuqua School of Business, Duke University. He also has appointments as a Professor of Psychology and Neuroscience and as a Professor of Law at Duke University. Professor Payne came to Duke University and the Fuqua School of Business in 1977 from the University of Chicago where he was an Assistant Professor of Business. He had earlier held a position as a postdoctoral fellows and visiting assistant professor in Cognitive Psychology at Carnegie-Mellon University, 1973-75. His education includes a B.A. 1969, M.A. 1972, Ph.D. 1973 in Psychology from the University of California, Irvine. Professor Payne's research deals with how people make decisions, and how decision making might be improved. His particularly subfield of interest is decision making under risk. He has authored or edited four books, including The Adaptive Decision Maker, and nearly 100 additional journal articles and book chapters. At Fuqua and at Duke University, Payne has served in a number of administrative roles including being the Deputy Dean of the Fuqua School of Business, a member of the Board of Directors at Duke Corporate Education, and as Chair of the Duke University Priorities (Budget) Committee and he also has served as a member of the Executive Committee of the Duke Academic Council along with service on many other university committees. Among his honors, Professor Payne has been elected President of the Judgment and Decision Society. He has won the Leo Melamed Prize for scholarship at the University of Chicago, for the most significant research by business school faculty. He was awarded the first JCR award for long-term contribution to consumer research. He has been selected as a Fellow, American Psychological Association, 2007, and a Fellow, American Psychological Society, 1995.

Poster Sessions
Biographies (alphabetically):

Fenaba Addo is an Assistant Professor of Consumer Science at UWMadison, where she is also an affiliate of the Center for Financial Security, Institute for Research on Poverty, and Center for Demography and Ecology. Her research is focused on how financial and non-financial resources influence wellbeing and health for families and consumers. Current research projects include how household finance influences the cohabitation and marriage decisions of young adults, and how economic inequality influences physical and mental health. She received her Ph.D. in Policy Analysis and Management from Cornell University and holds a B.S. in Economics from Duke University.

Xiaoling Ang is an economist at the Consumer Financial Protection Bureau and was one of the original staffers when the Bureau was established. Her research and policy work focus on student loans, disclosure, and benefit-cost analysis. She holds a PhD in economics from Princeton.

Pavel Atanasov's work focuses on understanding and improving decisions under uncertainty. Pavel studies the belief updating patterns of persistently accurate forecasters and systematic biases in translating predictions into bets. As a Post-Doctoral Scholar at the Good Judgment Project, he has also worked on probability training, incentive systems and opinion aggregation algorithms for improving crowd-based forecasts of political and economic events. At Boulder, Pavel will present his work on profit insensitivity, the tendency to underinvest in highly profitable prospects, relative to less advantageous ones. The pattern produces a stark inconsistency in risk preferences within subjects. Pavel holds a PhD in Psychology, with a Decision Processes concentration, from the University of Pennsylvania.

Ori Beeri iis an assistant professor at the Ono academic college, where he teaches "marketing research", "marketing strategies" and "brand management". His research interests include consumer financial decision-making, behavioral judgment and decision-making, consumer behavior and placebo effect in marketing. Additionally, he was a teaching and a research assistant for five years, and has been a teaching fellow since 2011. Ori Beeri has been managing the Academic institute for marketing research at the Ono academic college since 2009. The institute works closely with researchers, helping them develop and conduct their research design and methodology.

Emilio Bisetti is a PhD candidate in Financial Economics at Carnegie Mellon University, Tepper School of Business. He received both his Undergraduate and MSc degrees from Bocconi University, Milan. His research focuses on the interaction between population ageing, household saving and asset management. In particular, he is currently working on a project about the interaction between longevity and financial risks, and the resulting implications for pension funds' asset management.

Jeremy Burke is an Economist at RAND, Director of RAND's Behavioral Finance Forum, Associate Director of RAND's Center for Financial and Economic Decision Making, and a professor in the Pardee RAND Graduate School. His main fields of research are information and behavioral economics, with a particular focus on how to help people make better financial decisions. Currently, he is leading multiple field experiments leveraging behavioral principles to help consumers build savings (with soft-commitment mechanisms), reduce debt (with lottery linked incentives), and build credit (with behavioral nudges). In previous research he has examined the impact of financial literacy and social acceptance on the decision to strategically default on one's mortgage; whether financial literacy and financial decision-making can be improved by providing information sequentially rather than all at once; and how reliance on financial advice (particularly biased advice) is influenced by financial literacy.

Aimee Chabot is an NSF graduate research fellow in the Experimental Psychology PhD program at UC San Diego. She will begin a doctoral program in behavioral Marketing at Duke University's Fuqua School of Business this fall. She is interested broadly in how spending, saving, and borrowing decisions can foster and strengthen social connection, and conversely, how social relationships can motivate better financial decisions. In addition to her work on student loan borrowing, her current research includes testing sources of effective motivation to save for retirement, curb impulsive spending, encourage mindful consumption, donate to charitable organizations, and cultivate healthier eating habits.

Helen Colby is a postdoctoral scholar at the UCLA Anderson School of Management. She received her doctoral degree jointly in Cognitive Psychology and Marketing from Rutgers University. Her research is focused on strengthening consumer savings behavior, understanding the mechanisms underlying consumer discretionary spending, and the integration of cost and other factors in healthcare decision-making.

Grant Donnelly is a second-year doctoral student in the Marketing Unit at Harvard Business School. He studies financial decision-making with a specific interest in improving consumer welfare. In one working paper, Grant and his coauthors look at what might happen if consumers were able to make payments towards specific purchases rather than the total balance. Their results show significantly higher repayments made when consumers are able to 'eliminate a line item' from their debt. Grant received his B.A. in Environmental Science (Urban Design) from San Francisco State in 2005 and a M.A. in Psychological Research (Mind, Brain & Behavior) from San Francisco State in 2013.

Emily Garbinsky is a Ph.D. candidate in marketing at Stanford University's Graduate School of Business. She will be an Assistant Professor of Marketing at Notre Dame's Mendoza College of Business starting in July 2015. Her central research focuses on consumer financial well-being. More specifically, she investigates individuals' underlying motivations to save money, keep track of how much money they have, and give money to others. She has published articles in leading journals such as the Journal of Consumer Research and Psychological Science, and her research has been featured in popular press including The Atlantic and The New York Times. A Pittsburgh native, she attended Carnegie Mellon University, earning a B.S. in psychology and decision science.

Ryan Goodstein is a Senior Financial Economist in the Division of Depositor and Consumer Protection at the Federal Deposit Insurance Corporation. Since joining the FDIC in 2008, Ryan's work has focused on consumer finance issues including access to financial services, housing, and the mortgage market. He has provided technical and analytic support to the FDIC's economic inclusion survey efforts, including the National Survey of Unbanked and Underbanked Households, and the Survey of Banks' Efforts to Serve the Unbanked and Underbanked. His research has been published in peer-reviewed academic journals and in government publications. He received his Ph.D. in Economics from the University of North Carolina at Chapel Hill in 2008 and a B.S. from James Madison University in 1996.

Brain Griepentrog has over 15 years managing and executing human capital, communication, and public policy research for government, private sector, and academic clients. Brian's applied work focuses broadly on modeling and aiding human decision making, be it a citizen, a consumer, or an employee. Some examples of his work include the design of a career development system for the VA; examination of the social psychological influences on vocational choice for the DoD; development of an iterative user experience research process to improve CFPB products and services; and design of a consistent, theoretically grounded customer service evaluation framework across the IRS. Brian's work has appeared in a variety of professional outlets like *Personnel Psychology, Journal of Vocational Behavior, and Military Psychology* as well as a host of national and international conferences. Brian received his doctorate in Industrial/Organizational Psychology from George Mason University, and a B.A. in Psychology from the University of Minnesota.

Antonia Grohmann works as a postdoctoral researcher at the German Institute for Economic Research (DIW Berlin). Prior to this she was a PhD student at Leibniz University in Hannover. Before starting her PhD she briefly worked in the private sector. She received an MSc in Economics and Development Economics from the University of Nottingham and a BSc in Economics from the University of Kent. Antonia's research interests are behavioural finance especially financial literacy and behavioural economics with a special focus on developing countries.

Rawley Heimer is a Research Economist in the Division of Banking and Finance at the Federal Reserve Bank of Cleveland. His research interests include behavioral finance, household finance, social networks, retail trading and asset prices, and financial intermediation. He received his PhD in International Economics and Finance from Brandeis University.

Jeanne Hogarth, as Vice President of Policy, works to strengthen the Center for Financial Services Innovation's (CFSI) research and engagement efforts with government, NGOs, non-profits, and other key stakeholders. She served on CFSI's 2014 Consumer Financial Health Study project team and supports the Center's work in small-dollar credit and prepaid cards. Prior to joining CFSI, Jeanne worked as an economist in the Consumer and Community Affairs at the Federal Reserve Board, managing the Consumer Research section. There, she led research projects on consumer financial behavior and decision-making, financial services access and inclusion, and household economic stability. She also was as an Associate Professor of consumer economics at Cornell University where she worked with Cooperative Extension on translating research into practice in community development and consumer finance. Before getting her graduate degrees, she taught high school in Ohio. She has authored numerous research articles as well as consumer financial education resources. Both her research and her consumer education programs have received awards for their excellence. Jeanne received a BS in education from Bowling Green State University and an MS and PhD in family and consumer economics from The Ohio State University.

Uma Karmarkar is an Assistant Professor in Marketing Unit at the Harvard Business School. She holds dual Ph.D.'s: in Neuroscience (UCLA) and in Consumer Behavior (Stanford Graduate School of Business). Prior to entering the field of consumer behavior, she held an NIH-supported postdoctoral fellowship in Neuroscience at UC Berkeley. Dr. Karmarkar's work considers the decision process as reflecting communication between the firm, which offers information, and the consumer, who receives it, integrates it, and then acts on it. Her research on this falls into two major streams. The first investigates how individuals use (or don't use) the limited information available in uncertain contexts to make choices. The second examines how the timing and context dependent framing of information influences perceptions of value and decisions. In pursuing this work, she combines methods from consumer psychology and behavioral economics together with neuroimaging, allowing her to study both conscious and unconscious processes.

Melissa Knoll is a Research Psychologist in the Consumer Financial Protection Bureau's Office of Research. Dr. Knoll studies consumer decision-making, household financial behavior, and markets for consumer financial products and services. Her research supports policy development, regulations, and consumer education and engagement. Prior to working at the CFPB, Dr. Knoll was a Social Science Research Analyst in the Social Security Administration's Office of Retirement Policy, where she conducted research on the behavioral and psychological aspects of retirement-related decisions. Dr. Knoll received her B.A. in Spanish and Psychology from Rutgers, The State University of New Jersey, and her M.A. and Ph.D. in Quantitative Psychology and Judgment and Decision Making from The Ohio State University. She has been with the CFPB since 2013.

Chi Liao is an Assistant Professor of Finance at the Asper School of Business at the University of Manitoba. Her research interests are in behavioral finance, particularly in exploring the impact of risk aversion and individual biases on financial decisions for individual investors. Of particular interest are ways in which individuals' behavior may differ from traditional theories or assumptions, particularly when these individuals make decisions that have real impacts on financial outcomes. She has presented work at numerous conferences including the National Bureau of Economic Research Behavioral Economics Working Group and the Northern Finance Association Meetings, and her work has been cited in the Wall Street Journal and CNBC. She recently received her PhD from the Rotman School of Management at the University of Toronto. Prior to her doctorate, she received a BMath from the University of Waterloo and a BBA from Wilfred Laurier University.

Meagan McCollum recently completed doctoral studies in finance at Louisiana State University. This fall, she will join the faculty of Baruch College/CUNY as an assistant professor. Her research interests include real estate finance, household finance, and financial intermediation. She is also a graduate of the University of Alabama (MS, Finance) and Samford University (BA, Music).

Christoph Merkle currently is a visiting scholar at Duke University, Fuqua School of Business. He is an assistant professor of finance at the University of Mannheim, Germany, where he works at the Chair of Finance and Banking, and also a member of the University's Behavioral Finance Group. His research interests are in behavioral finance, household finance, and decision theory. Among other topics, he has explored how investors convert their beliefs and preferences into actions in financial markets. Merkle received his Ph.D. in Finance from the University of Mannheim in 2011. There he was part of the inaugural class of the Graduate School of Economic and Social Sciences. Prior, he graduated in economics from the University of Cologne.

Slava Mikhed is an Industry Specialist at the Payment Cards Center of the Federal Reserve Bank of Philadelphia, which he joined in July 2013. Slava's research interests lie in the areas of household finance, consumer credit, personal bankruptcy, mortgage foreclosure, and real estate economics. His current research explores the impacts on personal bankruptcy of income shocks, income inequality, and ease of access to the bankruptcy system. He is also examining the effect of identity theft and data breaches on consumer behavior. His previous work, exploring US house price bubbles, has been published in the Journal of Housing Economics and the Journal of Real Estate Finance and Economics.

Joyce Northwood is a Senior Financial Economist in the Division of Depositor and Consumer Protection of the Federal Deposit Insurance Corporation (FDIC). Prior to arriving at the FDIC in 2012, she has spent more than 20 years as an economist in various government agencies, including the Bureau of Labor Statistics, the Small Business Administration, and the Bureau of Economic Analysis. She has conducted research in the areas of labor conditions, minimum wage, and immigration. Joyce received her Ph.D. from American University in 2008. She also holds an MBA in Finance and a B.A. in Economics, both from the George Washington University.

Nilton Porto is Assistant Professor of Personal Finance in the Department of Human Development and Family Studies at the University of Rhode Island. Prior to returning to academia, he spent over a decade in various management positions in the banking industry after obtaining an MBA in finance from Case Western Reserve University. He has worked as a project assistant at the Center for Financial Security at the University of Wisconsin – Madison for four years conducting research on financial literacy, financial capability, and financial well-being. His research applies behavioral economics concepts such as the role of reference points to personal finance and consumer behavior. He is a member of the American Council on Consumer Interests, the American Economic Association, the Association for Financial Counseling and Planning Education, and the Association for Public Policy Analysis and Management. He received his Ph.D. in household economics from the University of Wisconsin in August 2014.

Michelle Reyers is a senior lecturer in the Department of Financial Management at the University of Pretoria in South Africa, where she teaches courses focused on investment and portfolio management as well as behavioural finance. She received her PhD in Financial Management Sciences from the University of Pretoria in 2014. Her research focus area is behavioural finance and its relationship to consumer financial decision making, with a specific focus on decisions related to retirement. She has presented her research at a number of conferences and her work was recently published in the Journal of Economic Psychology. She is a CFA® Charterholder and, prior to her academic career, she spent 10 years working in the South African banking industry. Her previous academic qualifications, all completed at the University of Pretoria, include a BCom degree in Law, an honours degree in Financial Management and a MCom in Financial Management Sciences.

Sherrie Rhine joined the Federal Deposit Insurance Corporation (FDIC) as a Senior Economist in November 2009. Prior to arriving at the FDIC, Sherrie was a senior economist in the Federal Reserve System and the Office of the Comptroller of the Currency (OCC) where she focused on consumer finance and community development research. Her interests include consumer access to financial products, services, and credit; asset accumulation and wealth building; housing and home ownership; community economic development; and financial education. Sherrie has published in academic journals such as the Journal of Consumer Affairs, The Review of Economics and Statistics, Contemporary Economic Policy, Journal of Human Resources, Applied Economics, American Economic Review Papers & Proceedings, and numerous Federal Reserve System and OCC publications. She earned a Ph.D. from the University of South Carolina and a B.S. from the University of South Florida.

Linda Salisbury is an Associate Professor of Marketing at the Carroll School of Management, Boston College. Her general research interests are in consumer decision-making, with a particular interest in examining how consumers incorporate considerations about the future into their current decisions. She has examined phenomena such as choice diversification, debt repayment behavior, consumer expectations, preference uncertainty, and customer satisfaction. Her work has also examined the impact of the CARD Act on credit card repayment choices. Prior to beginning her academic career, Linda spent a number of years working in the consumer packaged goods industry and in management consulting. She received her Ph.D. from the Ross School of Business at the University of Michigan; and her M.B.A. and M.S. in Operations Research and Statistics at Rensselaer Polytechnic Institute. Her research has appeared in the *Journal of Consumer Research,* the *Journal of Marketing Research,* and *Marketing Science.*

Anja Schanbacher is a third year PhD student in Marketing at London Business School. Her research interests include judgement and decision-making, financial decision-making, and the self and identity. In her dissertation research with her advisors David Faro and Simona Botti she examines when and how future changes in income affect present consumer decisions. Prior to her PhD studies she received a Diplom (equivalent to Master's) degree in Psychology from Ludwig-Maximilians-University in Munich. She also spent some time as a student and research assistant in Social Psychology at the University of California, Santa Barbara, for which she received a fellowship by the German Academic Exchange Service.

Maximilian Schmeiser is a Senior Economist at the Federal Reserve Board, where he conducts research on consumer finances, financial literacy, and financial behavior. His work further involves supporting production of the Board's triennial Survey of Consumer Finances (SCF) and providing technical assistance on other Board surveys. Before joining the Board, Max was an Assistant Professor at the University of Wisconsin-Madison and the Associate Director for Research and Computing at UW's Center for Financial Security. He received his M.S. and Ph.D. in Policy Analysis and Management from Cornell University, his M.A. in Economics from McMaster University, and his B.A. in Economics from the University of Regina. His research has been published in numerous academic journals, book chapters, and government publications. Max also serves on the editorial board of the Journal of Consumer Affairs.

Theresa Spickers received a BA in Business Economics from the University of Witten/Herdecke, Germany and a M.Sc. in Business Economics with a major in finance from the University of Münster, Germany. Since October 2013 she is a research assistant and Ph.D. candidate at the Institute for Capital Markets and Corporate Finance at the LMU Munich. Her main research areas include behavioral finance with a focus on investor behavior.

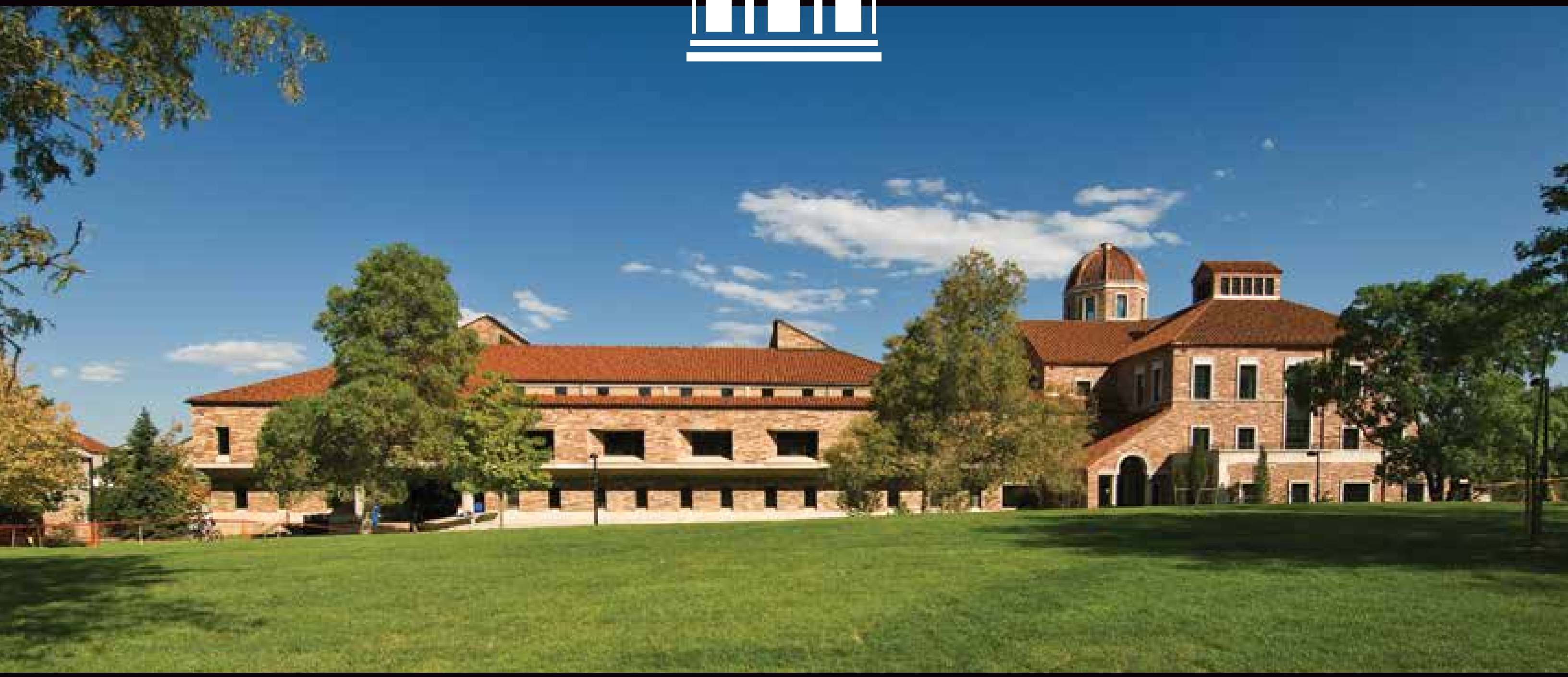
Susan Thorp is Professor of Finance at the University of Sydney. Her research focuses on household finance, especially consumer financial decision making, and includes studies of risk communication, retirement savings portfolio management, annuitization and retirement income streams. Professor Thorp has published over thirty articles in leading finance and economics journals. She is a founding Director of the Superannuation Consumers' Centre, a non-profit research and advocacy body aiming to improve retirement outcomes for Australian consumers, and a member of the Steering Committee of the Melbourne Mercer Global Pensions Index, an annually compiled internationally recognized index of pension system quality. She is also a regular contributor to pension policy discussions and is a member of the OECD/INFE Research Committee. Professor Thorp gained her BEc (Hons) from the University of Sydney, and her PhD from the University of New South Wales.

Dee Warmath is an Assistant Professor of Consumer Science at the School of Human Ecology. In her 28-year career as a retail strategist, consumer scholar and design thinker, she introduced outside-in thinking and informed intuition to major retailers and brands. She has served as lead strategist in the re-positioning and overall strategy of major retail organizations. Today she leverages this experience to facilitate immersive student experiences in the School of Human Ecology via courses such as Consumer Strategy & Evaluation, Advanced Consumer Analytics and Omni-Channel Retailing. Her research interests are in financial well-being, marital dynamics and financial outcomes, consumer behavior & decision-making, materialism, and design thinking. She holds a Master's Degree in Sociology from Vanderbilt University and Ph.D. in Consumer Science from the University of Wisconsin-Madison.

Conference Co-Chairs

Donald R. Lichtenstein is Provost Professor and Chair of the Division of Marketing. He received his undergraduate degree at the University of Alabama (1978) and his Ph.D. at the University of South Carolina (1984). His research interests lie primarily in the areas of consumer processing of price and sales promotion information. Much of his research has focused on consumer processing of reference price advertisements, consumer price-quality perceptions, influences on consumer price acceptability, and consumer perceptions and response to alternative sale promotion techniques. More recently, he has done research regarding corporate social responsibility, consumer-company identification, and consumer processing of nutritional information. Prior to the University of Colorado in 1988, he was an assistant at Louisiana State University (1984-1988). In addition to his current administrative position as marketing division chair, he has also served as Associate Dean of Faculty and Academic Programs (1998-2001). He is the recipient of the 2004 Fordham Life-time Achievement Award in Behavioral Pricing Research. His work has appeared in journals such as the *Journal of Consumer Research*, the *Journal of Marketing Research, The Journal of Marketing*, and *Marketing Science*. Professor Lichtenstein currently serves on the editorial review board of the J*ournal of Consumer Research* and *the Journal of Marketing.*

John G. Lynch, Jr. is the Ted Andersen Professor of Free Enterprise at the Leeds School of Business, University of Colorado Boulder, and the Director of the Center for Research on Consumer Financial Decision Making. Lynch received his BA in economics, his MA in psychology, and his Ph.D. in psychology, all from the University of Illinois at Urbana-Champaign. He was a member of the faculty at University of Florida from 1979-1996, where he was Graduate Research Professor. From 1996-2009 he was the Roy J. Bostock Professor of Marketing at the Fuqua School of Business at Duke University. Lynch is a 2010 Fellow of the Association for Consumer Research, a Fellow of the American Psychological Association, and a Fellow of the Society for Consumer Psychology. Five of his papers have been honored as outstanding article of the year; he has thrice been honored by the *Journal of Consumer Research*, once by the *Journal of Marketing Research* and once by the *Journal of Marketing*. He is a member of the editorial boards of *Journal of Consumer Research, Journal of Consumer Psychology,* and *Journal of Marketing,* and he was the 2008-2010 President of the Policy Board of the *Journal of Consumer Research*. Lynch is past president of the Association for Consumer Research, past associate editor for the *Journal of Consumer Research* and past associate editor and co-editor for the *Journal of Consumer Psychology.*



Center for Research on Consumer Financial Decision Making

The mission of the Center is to support interdisciplinary scholarship that informs theory, practice, and public policy pertaining to consumer financial decision making. The Center conducts basic research and more applied work to inform public policy. It engages in educational outreach aimed at improving consumer welfare by fostering conversation among consumer groups, public policy officials, business people serving financial markets, and researchers with common interests in these topics across a wide variety of social science disciplines

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