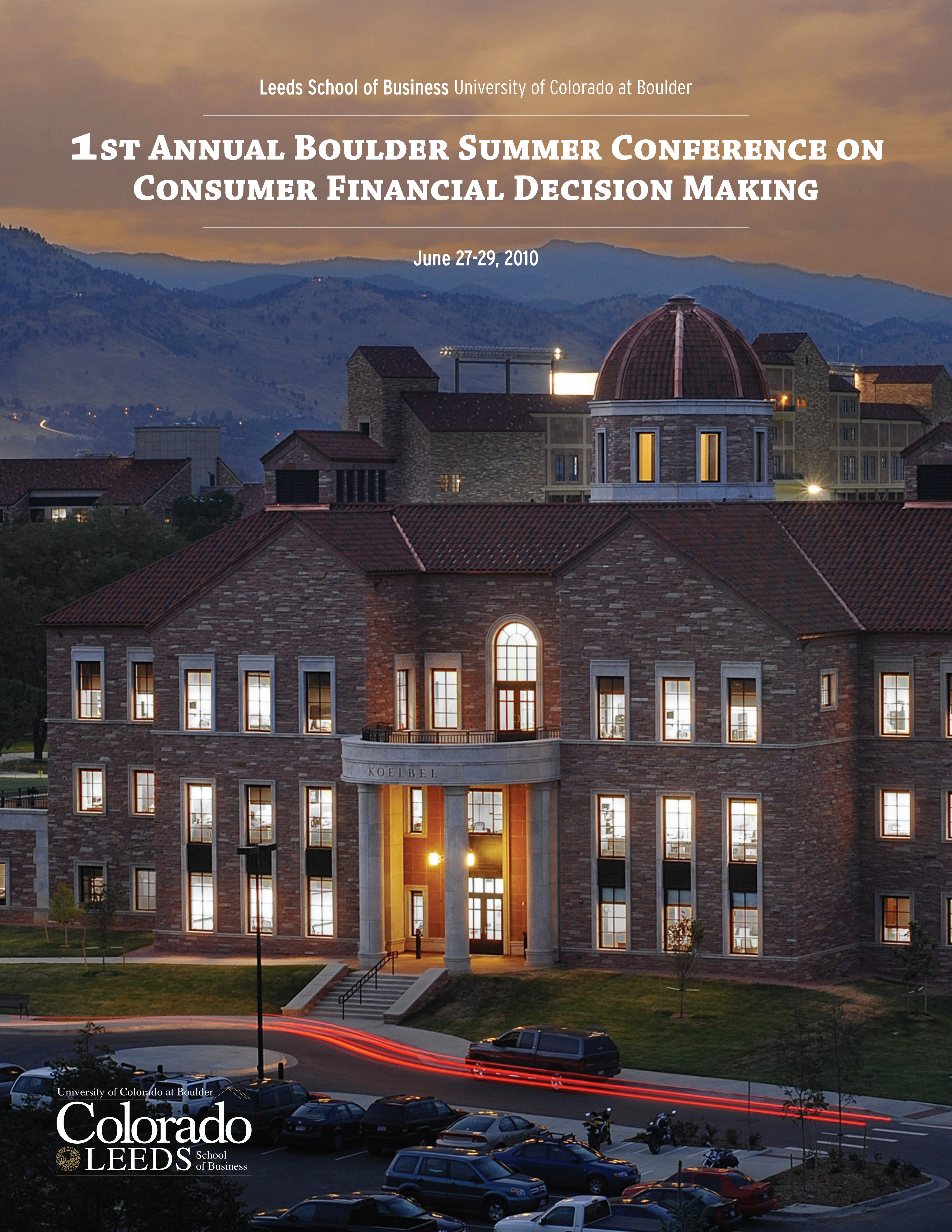
Leeds School of Business University of Colorado at Boulder

1st Annual Boulder Summer Conference on Consumer Financial Decision Making

June 27-29, 2010



University of Colorado at Boulder
Colorado
LEEDS School of Business

Welcome

Welcome to the First Annual Boulder Summer Conference on Consumer Financial Decision Making! On behalf of the University of Colorado and the Center for Research on Consumer Financial Decision Making we are delighted to welcome scholars, regulators, and consumer advocates from North America, Europe, Australia, and Asia. 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 to having a forum like this for conversation with scholars from Finance, Economics, Decision Sciences, Consumer Sciences, Marketing, Neuroscience, Psychology, and Behavioral Economics. Consumer welfare is strongly affected by household financial decisions large and small, and we are very fortunate to have participation in the conference by people involved in regulation of consumer financial products in the US, the EU, and Australia, and to have participation by experts from nonprofit organizations with a mission to promote better financial decision making.

Over the next three days, we are in for a treat. Sunday afternoon we will have three parallel sessions on: heuristics and biases in investor decision making; professional advice and financial decisions; and a taste of the role of decision aids in financial decisions, the psychology of taxes, and insurance via warranties. Monday, the focus is on consumers in distress because of poor financial decision-making in mortgage decisions and use of credit and debt, and what regulators and consumer groups can do to help consumers avoid those bad decisions. Tuesday, the focus is on more basic psychological processes that guide everyday consumer financial decision making, both good and bad, including why consumers differ from each other in their financial decision making and how market turbulence affects investor risk tolerance. 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 Boulderado.

Thank you!

John Lynch Donnie Lichtenstein

1st Annual Boulder Summer Conference on Consumer Financial Decision Making June 27-29, 2010

Sunday, June 27

8:00 AM – 2 PM **Pre-Conference Hike,** Bear Lake, Rocky Mountain National Park (email Donald.Lichtenstein@colorado.edu to participate, families welcome)
Meet 7:50 AM in 13th Street Entrance to Hotel Boulderado Lobby

3:30 – 4:00 PM **Conference Packet Pick-up**
Conference Center - Foyer, Boulderado North Wing

4:00 – 4:15 PM **Welcome and Road Map of Conference**
Columbine Room, Boulderado North Wing
John Lynch & Donnie Lichtenstein

4:15 – 5:30 PM **Conversation Starter Session 1: Heuristics and Biases in Investor Decision Making**
Alpine Room

"The Averaging Heuristic in Individual Investment Decisions"
Haipeng (Allan) Chen- Texas A&M University, Marketing
Alina Sorescu- Texas A&M University, Marketing
Sorin Sorescu- Texas A&M University, Finance
Michael Tsiros- University of Miami, Marketing

"Investment Decisions: Fast and Frugal Heuristics at Work"
Marco Monti- Max Planck Institute for Human Development, Department for Adaptive Behavior and Cognition
Laura Martignon- University of Education, Ludwigsburg
Gerd Gigerenzer- Max Planck Institute for Human Development, Department for Adaptive Behavior and Cognition
Nathan Berg- University of Texas at Dallas, School of Economic, Political, and Policy Sciences

"Intuitive Compounding"
Eric M. Eisenstein – Temple University, Marketing
Stephen J. Hoch - Univ. of Pennsylvania, Marketing

Session Chair: Sue Jung Grant, University of Colorado

4:15 – 5:30 PM **Conversation Starter Session 2: Professional Advice and Financial Decisions**
Balsam Room

"How Much Risk Can I Handle? The Role of Experience Sampling and Graphical Displays on One's Investment Risk Appetite"
Christina Kaufmann- University of Mannheim, Finance, Banking
Emily Haisley- Yale University, Organizational Behavior
Martin Weber- University of Mannheim, Finance, Banking

"Are Patients Too Trusting? Some Unintended Consequences of Continuity of Care from Health Professionals"
Janet Schwartz, Duke University, Health Sector Management
Mary Frances Luce- Duke University, Marketing
Dan Ariely- Duke University, Marketing

"Framing Goals to Influence Personal Savings: The Role of Specificity and Construal Level"
Gülden Ülkümen - University of Southern California, Marketing
Amar Cheema- University of Virginia, Marketing

Session Chair: Laura Kornish, University of Colorado

4:15 – 5:30 PM **Conversation Starter Session 3: Understudied Financial Decision Making Phenomena**

"Axing the Taxman: The Psychology of Tax Aversion"
Abigail B. Sussman- Princeton University, Psychology
Christopher Y. Olivola- University College London, Cognitive, Perceptual & Brain Sciences

"Decision Aids and Investor Decision Making"
Maureen (Mimi) Morrin- Rutgers University, Marketing
Susan Broniarczyk- University of Texas at Austin, Marketing
Jeffrey Inman- University of Pittsburg, Marketing

"Source Dependent Preference for Product Warranty"
Robin Chark- Hong Kong University of Science and Technology, Marketing
A.V. Muthukrishnan- Hong Kong University of Science and Technology, Marketing

Session Chair: Page Moreau, University of Colorado

6:00 – 8:00 PM **Reception- Boulder Draft House (2027 13th St.)**
(Spouses and partners welcome)

Monday, June 28

7:00 – 8:00 AM **Breakfast Buffet**- Boulderado Hotel- Mezzanine
"Economist's Breakfast", Porch Room - Mezzanine

8:00 – 9:15 AM **Session 1: Strengths and Limits of Consumers' Economic Incentives to Avoid Financial Mistakes** (Columbine - Balsam)

Discussant: **Janis Pappalardo**- Federal Trade Commission

"Diagnosing Consumer Confusion and Sub-Optimal Shopping Effort: Theory and Mortgage-Market Evidence"
Susan Woodward- Sand Hill Econometrics
Robert Hall- Stanford University Hoover Institution

"Do Consumers Choose the Right Credit Contracts?"
Sumit Agarwal- Federal Reserve Bank of Chicago
Souphala Chomsisengphet - Office of the Comptroller of the Currency
Chunlin Liu- University of Nevada at Reno, Finance
Nicholas S. Soueles- University of Pennsylvania, Finance, NBER

9:15 – 9:30 AM **Break**

9:30 – 10:45 AM **Session 2: The Role of Disclosures in Consumer Protection**

Discussant: **Jeanne Hogarth**- Federal Reserve Board Consumer and Community Affairs

"Consumer Behavior in Relation to Truth in Lending Disclosures"
Suzanne Shu- University of California at Los Angeles, Marketing

"Repay Now or Repay Later: Examining the Effects of Information Disclosure on Consumer Debt Repayment Decisions"
Linda Court Salisbury- Boston College, Marketing
Katherine N. Lemon- Boston College, Marketing

10:45 – 11:00 AM **Beverage Break**

11:00 – 12:15 PM **Session 3: Underwater Homeowners**

Discussant: **J. Michael Collins**- University of Wisconsin-Madison Consumer Science

"Bold Borrowing and Deferred Defaults: Impatience and Underwater Mortgages"
Stephen A. Atlas- Columbia University, Marketing
Eric J. Johnson- Columbia University, Marketing
John Payne- Duke University, Management, Psychology and Neuroscience

"Perception and Reality During the Financial Crisis: Homeownership, Low-Income Households, and Financial Stress"

Kimberly Manturuk - UNC Center for Community Capital
Sarah Riley – UNC Center for Community Capital
Janneke Ratcliffe- - UNC Center for Community Capital

12:30 – 1:45 PM **Lunch**- Rio Grande Restaurant (1101 Walnut St.)

2:00 – 3:15 PM **Session 4: Interventions to Avoid or Repair Financial Distress**

Discussant: **Mark Cole**- CredAbility.org Consumer Credit Counseling

"Stuck in Debt: How Loan Marketing Affects Consumer Personal Finances"

Lisa E. Bolton- Pennsylvania State University, Marketing
Paul N. Bloom- Duke University, Social Entrepreneurship and Marketing
Joel B. Cohen- University of Florida, Marketing

"The Ticket to Easy Street? The Financial Consequences of Winning the Lottery"

Scott Hankins- University of Kentucky, College of Public Health
Mark Hoekstra- University of Pittsburgh, Economics
Paige Marta Skiba- Vanderbilt University, Law School

3:15 – 3:30 PM **Beverage/Snack Break**

3:30 – 4:45 PM **Session 5: Mental Accounting and Savings, Spending, and Repaying**

Discussant: **Mike Norton**- Harvard University, Marketing

"One or Many: How Number of Accounts Facilitate Spending or Saving Behavior"

Himanshu Mishra- University of Utah, Marketing
Arul Mishra- University of Utah, Marketing
Jessica Rixom- University of Utah, Marketing

"Winning the Battle but Losing the War: The Psychology of Debt Management"

Shahar Ayal- Duke University, Marketing
Moty Amar- Duke University, Marketing
Scott Rick - University of Michigan, Marketing
Cynthia Cryder - Washington University of St. Louis, Marketing
Dan Ariely - Duke University, Center for Cognitive Neuroscience

5:30 – 7:00 PM **Reception**- Bacaro's (921 Pearl St.)
(Spouses and partners welcome)

Tuesday, June 29

7:00 – 8:00 AM **Breakfast Buffet**- Boulderado Hotel- Mezzanine Room

8:00 – 9:15 AM **Session 6: Imagining One's Future and Intertemporal Preferences** (Columbine Balsam)

Discussant: **Hal Ersner-Herschfield**- Northwestern University, Management & Organizations

"Do Intertemporal Preferences Trump Financial Education Courses in Driving Borrowing and Payment Behavior?"

Michael Staten- University of Arizona, School of Family and Consumer Sciences
Cathleen Johnson- University of Arizona, Economics

"On Intertemporal Selfishness: The Perceived Instability of Identity Underlies Impatient Consumption"

Daniel Bartels- University of Chicago, Center for Decision Research
Oleg Urminsky- University of Chicago, Marketing

9:15 – 9:30 AM **Break**

9:30 – 10:45 AM **Session 7: Memory, Attention, and Intertemporal Preferences**

Discussant: Leaf van Boven- University of Colorado, Psychology

"Getting to the Top of Mind: How Reminders Increase Saving"

Dean Karlan- Yale University, Economics
Margaret McConnell- Harvard University, Center for Population and Development Studies
Sendhil Mullainathan- Harvard University, Economics
Jonathan Zinman- Dartmouth College, Economics

"Constraints Drive Opportunity Cost Consideration"

Stephen Spiller- Duke University, Marketing

10:45 – 11:00 AM **Beverage Break**

11:00 – 12:15 PM **Session 8: Numerical Reasoning and Consumer Financial Decision Making**

Discussant: **Victor Stango**- University of California at Davis, Economics

"Misunderstanding Savings Growth: Implications for Retirement Savings"

Craig R.M. McKenzie- University of California at San Diego, Psychology
Michael J. Liersch- New York University, Management and Organizations

"Stochastic Mortality and the Dispersion of Subjective Estimates of Survival Probabilities – Evidence from Europe"
Thomas Post- Maastricht University, Finance
Katja Hanewald- Humboldt-Universitat zu Berlin, Insurance and Risk Management

12:30 – 1:45 PM **Lunch**- Boulder Draft House

2:00 – 3:15 PM **Session 9: Individual Differences Affecting Consumer Financial Decision Making**

Discussant: **Martin Reimann**- University of Southern California, Psychology

"Different Affective Learning Systems Contribute to the Accumulation of Assets and Debt"
Brian Knuston- Stanford University, Psychology
Gregory R. Samanez-Larkin- Stanford University, Psychology
Camelia M. Kuhnen- Northwestern University, Finance

"Beyond Risk Tolerance: Regret, Overconfidence, and Other Investor Propensities"
Carrie H. Pan- Santa Clara University, Finance
Meir Statman- Santa Clara University, Finance

3:15 – 3:30 PM **Beverage/Snack Break**

3:30 – 4:45 PM **Session 10: Financial Decisions in Turbulent Markets**

Discussant: **Susan Thorp**- University of Technology- Sydney School of Finance and Economics

"Changes of Expectations and Risk Attitudes and Their Impact on Risk Taking Behavior"
Alen Nosic- University of Mannheim, Finance, Banking
Martin Weber- University of Mannheim, Finance, Banking

"Why Are Bear Markets Bumpier than Bull Markets?"
James Heyman- University of St. Thomas, Marketing
Christopher Summers- University of St. Thomas, Marketing

4:45 – 5:00 PM **Closing Remarks**

John Payne- Duke University, Management, Psychology and Neuroscience

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Session Chair: Sue Jung Grant, University of Colorado

"The Averaging Heuristic in Individual Investment Decisions"

Haipeng (Allan) Chen- Texas A&M University, Marketing
Alina Sorescu- Texas A&M University, Marketing
Sorin Sorescu- Texas A&M University, Finance
Michael Tsiros- University of Miami, Marketing

Abstract: We propose a behavioral explanation for the idiosyncratic volatility puzzle documented in the Finance literature: that stocks with high idiosyncratic volatility have higher risk-adjusted returns. Under the Capital Asset Pricing Model (CAPM) assumptions of perfect capital markets and rational investors, every investor holds a fully diversified portfolio (the market portfolio) and idiosyncratic volatility should be unrelated to stock returns. To explain this puzzle, we identify an averaging heuristic whereby consumers rely on the arithmetic average of a variable when having to summarize a set of ratios. While the arithmetic average can be a useful summary statistic, applying it in instances when the focal variable is in the denominator of a mathematical expression will lead to incorrect inferences due to the neglect of convexity. The averaging heuristic can explain the idiosyncratic volatility puzzle because fundamental stock values have a convex relation to future cash flow growth rate, and this convexity is increasing with the cash flow uncertainty, which manifests as idiosyncratic volatility. Thus, ceteris paribus, stocks with higher idiosyncratic volatility have higher fundamental values, due to convexity. But if investors rely on the averaging heuristic and ignore convexity, the market value of stocks with high idiosyncratic volatility will be lower than their fundamental value. And since undervaluation leads to high subsequent risk-adjusted returns, the averaging heuristic offers a plausible explanation of the positive relation between idiosyncratic volatility and abnormal returns. To test this explanation, we first provide evidence from a lab experiment that participants allocate funds between stocks in a manner consistent with the averaging heuristic, but not consistent with a "high risk high return" strategy. We then propose boundary conditions for the effect of the averaging heuristic based on people's ability and motivation to calculate fundamental values, as well as the difficulty of calculations. We demonstrate these boundary conditions by using 26 years of U.S. stock market data and showing that the relation between risk-adjusted returns and idiosyncratic volatility is less pronounced for stocks covered by analysts who arguably have high ability and are thus less likely to rely on the averaging heuristic. Then in a second lab experiment, we demonstrate the mediating role of the averaging heuristic in people's valuation

of the fundamental value of stocks and rule out motivation to calculate fundamental values and calculation difficulty as possible explanations.

"Investment Decisions: Fast and Frugal Heuristics at Work"

Marco Monti- Max Planck Institute for Human Development, Department for Adaptive Behavior and Cognition
Laura Martignon- University of Education, Ludwigsburg
Gerd Gigerenzer- Max Planck Institute for Human Development, Department for Adaptive Behavior and Cognition
Nathan Berg- University of Texas at Dallas, School of Economic, Political, and Policy Sciences

Abstract: This paper reports new experimental and survey data collected from bank customers at several Italian banks. These data aim to uncover the decision processes used by investors, including their investment goals, the information sets they consider, and the number of factors that actually influence high-stakes financial decisions. Most subjects use a strict subset of the information available to them, ignoring variables that standard economic models typically assume drive investors' behavior. Rather than random trembling which would predict that omitted variables are dropped at random, fast and information-frugal heuristics appear to explain the information search and decision behavior of many subjects observed in this study, reflecting a lexicographic hierarchy of risk, time horizon and cost, in that order. A simple combination of a fast and frugal tree and a tallying rule predicts about 80% of investors' decisions.

"Intuitive Compounding"

Eric M. Eisenstein – Temple University, Marketing
Stephen J. Hoch - Univ. of Pennsylvania, Marketing

Abstract: A proper understanding of compound interest is essential for good financial decision-making. Two experiments demonstrate that most people use an anchoring and adjustment process to estimate compound interest, and that they begin with simple interest as the anchor and make insufficient upward adjustments. This process results in large prediction errors, particularly for long timeframes and high interest rates. Experts use a different solution process, known as the "rule of 72," which enables them to be much more accurate in the same amount of time. Regardless of strategy, accuracy is asymmetric: retrospective estimates are more difficult than prospective estimates. We show that it is possible to improve estimation accuracy by using a short training procedure that teaches novices to think like experts.

Biographies:

Haipeng (Allan) Chen is an associate professor in Marketing and Mays Research Fellow at the Texas A&M University. He received his Ph.D. in Business Administration from the University of Minnesota (Twin Cities), his M.A. in Applied Linguistics from Zhejiang University (Hangzhou, China), and his B.Eng. (with honors) in Mechanical Engineering from Shandong Institute of Engineering (Zibo, China). Chen conducts research in the area of behavioral decision making. His research has been published in Journal of Consumer Research, Journal of Marketing Research, Marketing Science, Journal of Monetary Economics, and Economica, and has been presented at various conferences, including ACR, SCP, NBER and AEA. He was the co-winner of the 2001 ACR-Sheth Foundation Dissertation Award (Public Policy track) and a 2007 MSI Young Scholar. He has received various teaching awards, including the Texas A&M University System Teaching Excellence Award (top 5%), Texas A&M Center for Teaching Excellence (CTE) Montague Scholarship, and School of Business Teaching Excellence Award at the University of Miami.

Marco Monti is a research fellow at the Max Panck Institute for Human Development in Berlin within the Adaptive Behavior and Cognition group led by Prof. Gerd Gigerenzer. Marco's research focuses on the role of heuristics in real-life decision-making processes particularly in the financial and medical domains. He collaborates with an interdisciplinary group of researchers investigation the concept of ecological rationality within the novice-expert relationship, such as the customer-advisor or patient-doctor interaction. The group is presently exploring new ways to empower decision makers through the adoption of smart interfaces that convey more transparent and cognitively suitable information. Monti's academic research and teaching interests lie in the area of cognitive sciences, decision-making, behavioral economics, and applied information technology. Marco holds a bachelors, masters, PhD in Economics from the Bocconi University of Milan, Italy.

Eric Eisenstein is a professor at the Fox School of Business, Temple University. Previously he has taught at Cornell's Johnson Graduate School of Management, the Wharton School of Business, and at EMMS, in Barcelona. Eric earned his Ph.D. in Applied Economics and an M.A. in Statistics at the Wharton School of Business at the University of Pennsylvania. He also graduated from the Management and Technology dual degree program at the University of Pennsylvania, where he concurrently earned a B.S. in Economics from Wharton and a B.S. in Computer-Systems Engineering from the School of Engineering and Applied Science. Eisenstein explores how people make decisions that materially affect their lives or the lives of those around them. These decisions may be financial, such as the purchase of a house or expensive durable goods, or policy oriented, such as interpreting statistical evidence, choosing between alternative proposals, or combating identity theft.

4:15 – 5:30 PM **Conversation Starter Session 2: Professional Advice and Financial Decisions** (Balsam Room)

Session Chair: Laura Kornish, University of Colorado

"How Much Risk Can I Handle? The Role of Experience Sampling and Graphical Displays on One's Investment Risk Appetite"

Christina Kaufmann- University of Mannheim, Finance, Banking
Emily Haisley- Yale University, Organizational Behavior
Martin Weber- University of Mannheim, Finance, Banking

Abstract: We examine how different types of presentation - numerical descriptions, experience sampling, graphical displays of distributions, and a combination of these formats in a 'risk tool simulation'- influence the riskiness of individual's asset allocations in an experimental investment portfolio. Participants viewed information about a risky and a risk free fund and made a portfolio allocation. Risky allocations were elevated in the risk tool simulation and experience sampling conditions. We find no evidence of greater dissatisfaction with returns in these conditions and observe a willingness to take on similar levels of risk in subsequent allocations. Greater risky allocation in the combination and experience sampling conditions is mediated by decreased risk perceptions, increased confidence in the risky fund and a lower estimation of the probability of a loss. Despite these indicators of optimism about the risky fund, participants in the risk tool simulation condition underestimate the probability of a high gain and are more accurate on comprehension questions about the estimated return and the probability of a loss.

"Are Patients Too Trusting? Some Unintended Consequences of Continuity of Care from Health Professionals"

Janet Schwartz, Duke University, Health Sector Management
Mary Frances Luce- Duke University, Marketing
Dan Ariely- Duke University, Center for Cognitive Neuroscience

Abstract: Reliance on professional advice is a common and important strategy in consumer decision-making. When expert service providers financially benefit from their own advice, however, there is a conflict of interest that might be resolved with a second opinion. A series of studies first demonstrates that people more clearly recognize that a common consumer health decision calls for a second opinion when they act as advisors rather than as patients. Further studies test a relationship maintenance hypothesis and demonstrate that this phenomenon largely due to consumers' motivation to preserve relationship harmony, even at the expense of decision accuracy. Taken together, these results provide important insight into some potential pitfalls for healthcare consumers in an era of increased patient responsibility and point to a more general cause for concern whenever non-expert consumers must rely on the advice of expert professionals.

"Framing Goals to Influence Personal Savings: The Role of Specificity and Construal Level"

Gülden Ülkümen - University of Southern California, Marketing
Amar Cheema- University of Virginia, Marketing

Abstract: In four studies, we show that consumers' savings can be increased or decreased merely by changing the way consumers think about their saving goals. Consumers can (a) either specify or not specify an exact amount to save (goal specificity), and (b) they can focus on either how to save, or why to save (construal level). We find that specific goals help consumers save more when the saving goal is construed at a high level, but non-specific goals help consumers save more when the saving goal is construed at a low level. We obtain the same pattern of results with anticipated saving success, goal commitment, and most importantly, actual savings. Mediation analyses reveal that specific (vs. non-specific) goals are perceived to be more important under high-level construal, and more difficult under low-level construal.

Biographies:
Christine Kaufmann is PhD Student and Research Assistant at the University of Mannheim since 2007. She earned her Bachelor (2006) and Master (2007) degree in Banking and Finance at the Frankfurt School of Finance & Management and the University of Viña del Mar, Chile. Her research is in the area of household finance and behavioral finance. Recent work has examined issues including the influence of risk communication format on investment decisions and risk taking behavior of private households. Prior to joining academia, she gained extensive work experience in the business development and consumer finance unit of Deutsche Bank in Frankfurt and Warsaw.

Janet Schwartz has a PhD in Cognitive Psychology from Rutgers University and is currently a Post-Doctoral Research Associate at Duke University's Fuqua School of Business. Prior to that she was a Research Associate at the Woodrow Wilson School of Public Affairs. Her research incorporates the basic principles behavioral science to better understand healthcare consumption-- particularly how consumers spend money on healthcare and what that means for consumer welfare, health policy and economic productivity.

Gülden Ülkümen is Assistant Professor of Marketing at the Marshall School of Business, University of Southern California. She received her PhD in Marketing in 2007 from the Stern School of Business, New York University. Her research interests include consumer budgeting and savings decisions, consequences of categorization on consumers decision making, and the effects of confidence on the outcome and quality of consumer decisions. Her research has been published in the Journal of Consumer Research and the Journal of Marketing Research, and has been featured in The New York Times. Professor Ülkümen serves on the editorial review board of the *Journal of Consumer Psychology*.

4:15 – 5:30 PM **Conversation Starter Session 3: Understudied Financial Decision Making Phenomena** (Executive Board Room)

Session Chair: Page Moreau, University of Colorado

"Axing the Taxman: The Psychology of Tax Aversion"

Abigail B. Sussman- Princeton University, Psychology
Christopher Y. Olivola- University College London, Cognitive, Perceptual & Brain Sciences

Abstract: Tax collection is critical for the proper functioning of society. However, many people have a strong aversion to paying taxes. Although a distaste for paying taxes could be rational on economic grounds, we show that this aversion extends beyond simply disliking the costs incurred and affects behavior in counter-normative ways. We demonstrate the phenomenon of tax aversion, which we define as a desire to avoid taxes, per se, that exceeds the rational economic motivation to avoid a cost. Across two studies, we provide evidence that individuals are more willing to incur a time cost in order to save money when these savings are related to taxes compared to when they are unrelated to taxes. Furthermore, we show that this tendency is most prevalent among those who identify with political parties that generally favor less taxation. In a third study, we show that the greater tendency toward tax aversion among participants who identify with anti-tax parties disappears when they are prompted to list positive uses of their tax dollars (while listing negative uses has the opposite effect). In contrast, this manipulation has no effect on those who identify with pro-tax parties. We conclude by discussing implications for policy.

"Decision Aids and Investor Decision Making"

Maureen (Mimi) Morrin- Rutgers University, Marketing
Susan Broniarczyk- University of Texas at Austin, Marketing
Jeffrey Inman- University of Pittsburg, Marketing

Abstract: The effects of investor decision aids are explored in two studies. Study 1 examines the differential effects of two types of decision aids: informative (i.e., style matrix) and evaluative (i.e., star rating system) on choice, satisfaction, and goal-related thoughts. Study 2 assesses the moderating effect of investors' a priori levels of goal clarity (Lee and Ariely 2006). The results suggest that evaluative decision aids have a greater impact on investor response than do informative decision aids, especially for individuals with unclear investment goals. We explain the pattern of results within the framework of mindset theory (e.g., Gollwitzer 1999). Limitations and implications are discussed.

"Source Dependent Preference for Product Warranty"

Robin Chark- Hong Kong University of Science and Technology, Marketing
A.V. Muthukrishnan- Hong Kong University of Science and Technology, Marketing

Abstract: We investigate the role of brand in consumers' product insurance decisions. In four experiments, we demonstrate that risk attitudes inferred from consumers' willingness to pay for product warranties are not stable across different brands. Consumers are willing to pay more to insure the more established brands. This result holds even when subjective or objective probabilities of failure among different brands are controlled for. Our theoretical model proposes a source-dependent preference account to explain our experimental findings. The theoretical framework allows both the effects of source preference and ambiguity attitude on consumers' product insurance intentions. In this research, the former

refers to consumers' preference for uncertainty arising from products of different brands. The latter refers to the effect of the degree of ambiguity in consumers' breakdown probability judgment of the product. When we heighten ambiguity by giving a range of possible breakdown probabilities, the insurance intention for the established brand suffers more than that for the less established brand.

Biographies:
Abigail B. Sussman is a doctoral candidate in psychology and social policy at Princeton University. Her research broadly addresses questions at the intersection of psychology and behavioral economics, examining how people form judgments and make decisions, with a focus on applying psychological insights to improve people's choices in areas relevant for public policy. Additional areas of interest include mental accounting, first impressions, and causal reasoning. Before coming to Princeton, she worked in equity research and corporate treasury at Goldman Sachs. She received her undergraduate degree from Brown University with dual concentrations in cognitive science and economics.

Maureen (Mimi) Morrin is professor of Marketing at Rutgers University School of Business in Camden, New Jersey. In addition to financial decision-making, her research interests include issues related to brand equity/trademark protection, and sensory processing. Her work has been published in the Journal of Consumer Research, Journal of Marketing Research, and the Journal of Consumer Psychology and she is a member of the editorial review boards of the Journal of Marketing and the Journal of Consumer Psychology. She has been awarded several research and teaching awards as well as a multi-year research grant from FINRA to study investor behavior. Currently her teaching focuses on database marketing, customer analytics, and consumer behavior. Professor Morrin is a graduate of New York University (Ph.D.), Thunderbird (MBA), and Georgetown (BSFS). Her background also includes five years of corporate work experience in advertising and brand management.

Robin Chark is a fourth year Ph.D. student in Marketing at Hong Kong University of Science and Technology (HKUST). His research interests include behavioral decision making, financial decision making, neuroeconomics and neuromarketing. Robin holds a bachelor degree in finance and a master degree in economics, both from the HKUST.

6:00 – 8:00 PM **Reception**- Boulder Draft House (2027 13th St.)

(Spouses and partners welcome)

Monday, June 28

7:00 – 8:00 AM **Breakfast Buffet**- Boulderado Hotel- Mezzanine
Economist's breakfast hosted by CU Econ & Finance Faculty, Porch Room - Boulderado Hotel Mezzanine

8:00 – 9:15 AM **Session 1: Strengths and Limits of Consumers' Economic Incentives to Avoid Financial Mistakes** (Columbine - Balsam)

"*Diagnosing Consumer Confusion and Sub-Optimal Shopping Effort: Theory and Mortgage-Market Evidence*"
Susan E. Woodward- Sand Hill Econometrics
Robert E. Hall- Stanford University Hoover Institution

Abstract : Mortgage loans are leading examples of transactions where experts on one side of the market take advantage of consumers' lack of knowledge and experience. We study the compensation that borrowers pay to mortgage brokers for assistance from application to closing. Two findings support the conclusion that confused borrowers overpay for brokers' services: (1) A model of effective shopping shows that borrowers sacrifice at least $1,000 by shopping from too few brokers. (2) Borrowers who compensate their brokers with both cash and a commission from the lender pay twice as much as similar borrowers who pay no cash.

"Do Consumers Choose the Right Credit Contracts?"
Sumit Agarwal- Federal Reserve Bank of Chicago
Souphala Chomsisengphet- Office of the Comptroller of the Currency
Chunlin Liu- University of Nevada at Reno, Finance
Nicholas S. Souleles- University of Pennsylvania, Finance, National Bureau of Economic Research

Abstract: A number of studies have pointed to various mistakes that consumers might make in their consumption-saving and financial decisions. We utilize a unique market experiment conducted by a large U.S. bank to assess how systematic and costly such mistakes are in practice. The bank offered consumers a choice between two credit card contracts, one with an annual fee but a lower interest rate and one with no annual fee but a higher interest rate. To minimize their total interest costs net of the fee, consumers expecting to borrow a sufficiently large amount should choose the contract with the fee, and vice-versa. We find that on average consumers chose the contract that ex post minimized their net costs. A substantial fraction of consumers (about 40%) still chose the ex post sub-optimal contract, with some incurring hundreds of dollars of avoidable interest costs. Nonetheless, the probability of choosing the sub-optimal contract declines with the dollar magnitude of the potential error, and consumers with larger errors were more likely to subsequently switch to the optimal contract. Thus most of the errors appear not to have been very costly, with the exception that a small minority of consumers persists in holding substantially sub-optimal contracts without switching.

Discussant: **Janis Pappalardo**- Federal Trade Commission

Biographies:
Susan E. Woodward is Chairman of Sand Hill Econometrics, Inc., a firm that has developed and successfully marketed technology for measuring the financial characteristics of venture investments. She received a PhD in financial economics from UCLA and has held faculty positions at UCLA, the University of Rochester, and other universities. She served in the federal government as the Chief Economist of the Department of Housing and Urban Development, where she specialized in mortgage finance. She also served as the Chief Economist of the Securities and Exchange Commission.

Robert E. Hall is the McNeil joint Professor of Economics and Senior Fellow of the Hoover Institution, Stanford University. For the year 2010, he is serving as the President of the American Economic Association. He holds a PhD in economics from MIT. Before coming to Stanford, he taught at UC Berkeley and MIT.

Souphala Chomsisengphet is a Senior Financial Economist in the Credit Risk Analysis Division of the Office of the Comptroller of the Currency (OCC). Her primary banking supervisory duty at the OCC involves evaluating statistical methods used by banks to develop and validate credit risk models for underwriting, risk management, or capital allocation. In addition, she conducts research in the areas of household finance, real estate finance, banking and financial institutions. Currently, she is working on a number of research projects to study loan modification, consumer contract choices, consumer bankruptcy and default behaviors, the impact of financial counseling, and the effect of anti-predatory lending laws on the mortgage market. Her research has been published in the *American Economic Review*, *Journal of Money, Credit and Banking*, *Journal of Urban Economics, Journal of Financial Intermediation*, *Journal of Housing Economics*, and *Real Estate Economics*. Before joining the OCC in 2004, she was an Economist at the Federal Housing Finance Agency (FHFA). Chomsisengphet earned a Ph.D. in Economics from the University of Wisconsin–Milwaukee.

Janis K. Pappalardo is Assistant Director for Consumer Protection in the Bureau of Economics at the Federal Trade Commission (FTC). Jan's research applies findings and methods from marketing research to traditional economic models of constrained utility maximization, where people seek to obtain unique goals given their time constraints, wealth constraints, and household production constraints. Her research on mortgage disclosures, co-authored with James Lacko, has been cited in congressional testimony and in newspapers such as *The Washington Post*, *USA Today*, and *The Wall Street Journal*. Jan has addressed conferences at the Federal Reserve Bank of Cleveland (as keynote speaker), the Federal Reserve Bank of New York, the Federal Reserve Bank of Dallas, the University of Connecticut (as keynote speaker), the OECD in Paris, and the Bank of England. Her work has been published in the *American Economic Review Papers & Proceedings*, *Journal of Public Policy & Marketing (JPP&M)*, *Review of Industrial Organization*, and *Antitrust Law Journal*. Jan is a two-time recipient of the Outstanding Article Award from *JPP&M,* and serves on the journal s editorial board. She organized a conference on consumer information in the mortgage market at the FTC in 2008 and co-chaired the Marketing & Public Policy Conference in 2009. Jan received her Ph.D. from Cornell University in 1986, with a primary field in consumer economics and secondary fields in statistics and industrial organization.

9:15 – 9:30 AM **Break**

9:30 – 10:45 AM **Session 2: The Role of Disclosures in Consumer Protection**

"Consumer Behavior in Relation to Truth in Lending Disclosures"
Suzanne B. Shu- University of California at Los Angeles, Marketing
Abstract: Both basic economics and popular wisdom imply that consumers should be sensitive to interest rates when making decisions about borrowing and saving. However, examples abound in which consumers appear to borrow at rates which seem inconsistent with rational behavior. Through a series of studies, I demonstrate that both understanding disclosed information and appropriate attention to interest rates are problematic for consumers, even among relatively well-educated groups of study respondents. Additional studies indicate that people choose between loans using cognitive heuristics not predicted by typical normative or behavioral models; specifically, choices appear to be based on attributes like total payment amount rather than interest rate. Consumers' sensitivity to interest rates can be exaggerated or muted by the extent to which a change in rates affects these other attributes

"Repay Now or Repay Later: Examining the Effects of Information Disclosure on Consumer Debt Repayment Decisions"
Linda Court Salisbury- Boston College, Marketing
Katherine N. Lemon- Boston College, Marketing
Abstract: Consumer debt levels are directly influenced by repayment decisions – how much of the loan to repay, and when to make the payments. Repayment decisions can be influenced by the information disclosed to consumers at the time a repayment decision is made. This research examines how the temporal orientation of interest cost information, as well as the use of "money" versus "time" information, influences consumer repayment decisions. We find that disclosing information that relates current repayment to future total interest costs leads to greater repayment than disclosing current (month) interest cost, and disclosing future costs in terms of money has a more positive impact than does disclosing future time costs. These positive effects, however, are strongly mitigated by the presence of minimum required payment information. We also find that more future-oriented consumers make larger repayments in the current time period than do more immediate-oriented consumers; and consumers high in knowledge of interest compounding also repay more. Our research provides new insights into the debt repayment process, and has important implications for consumers, lenders, and public policy such as the Credit CARD Act of 2009.

Discussant: **Jeanne Hogarth**- Federal Reserve Board Consumer and Community Affairs

Biographies:
Suzanne B. Shu is an Assistant Professor of Marketing at UCLA's Anderson School of Management. She received BS and M'Eng degrees in Electrical Engineering from Cornell University and MBA and PhD degrees from University of Chicago, where her coursework focused on behavioral economics and marketing. Her research interests include intertemporal choice and multi-period decision making, the influence of self-control and procrastination on consumer behavior, and consumer decisions about financial products. She has publications in top marketing and psychology journals as well as a chapter in *The Blackwell Handbook of Judgment and Decision Making*. Professor Shu has taught marketing and decision making courses to MBA students at UCLA, SMU, the University of Chicago, and INSEAD.

Linda Court Salisbury is an Assistant Professor of Marketing at the Carroll School of Management, Boston College. 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 interests include temporal aspects of consumer decision-making, and leveraging discrete choice models in behavioral decision research. Linda's current research projects include examining effects of information disclosure on consumer debt repayment decisions. Her research has appeared in the *Journal of Consumer Research* and *Marketing Science*.

Jeanne Hogarth is the manager for the Consumer Education and Research Section of the Division of Consumer and Community Affairs at the Federal Reserve Board. Prior to joining the Board in 1995, her previous experience includes 7 years of high school teaching in Ohio, a year on the Extension faculty at the University of Illinois, and 13 years on the consumer economics faculty at Cornell University. During her tenure at Cornell, she was responsible for community education programs related to family financial management and consumer economics through Cornell Cooperative Extension. At the Federal Reserve Board, she is responsible for research and outreach initiatives related to consumer financial services. Her recent projects include initiatives on consumers' use of banking services, consumer protection strategies, the effectiveness of financial education efforts, and consumer testing for comprehension and usability of disclosure notices. Jeanne is responsible for the Board's consumer information materials on financial services, both on the web and in print. She is the author of numerous scholarly research articles as well as consumer education resources on financial management. Both her research and her consumer education programs have received awards for their excellence. She served as the Helen LeBaron Hilton Chair at Iowa State University for the 2009-10 academic year. 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.

10:45 – 11:00 AM **Beverage Break**

11:00 – 12:15 PM **Session 3: Underwater Homeowners**

"Bold Borrowing and Deferred Defaults: Impatience and Underwater Mortgages"

Stephen A. Atlas- Columbia University, Marketing
Eric J. Johnson- Columbia University, Marketing
John Payne- Duke University, Management, Psychology and Neuroscience

Abstract: Recent projections suggest that, by 2011, 48% of American homeowners will owe more in mortgage debt than the current market price of their homes, a situation known colloquially as being 'underwater'. Policymakers and bankers must understand the psychological drivers of choice to craft effective interventions to improve these decisions and to understand how individuals will deal with their consequences. This paper offers a behavioral analysis of both the decision to take a mortgage that is likely to lead to being underwater, and consumers' response once underwater. We present the results of two studies. The first demonstrates that greater individual-level discounting increases the likelihood of being underwater, and decreased the tendency to walk away. Study 2 estimates separate beta and delta components in a model of "present-biased" discounting and increases the number of potential control variables.

"Perception and Reality During the Financial Crisis: Homeownership, Low-Income Households, and Financial Stress"

Kimberly Manturuk - University of North Carolina Center for Community Capital
Sarah Riley – UNC Center for Community Capital
Janneke Ratcliffe- - UNC Center for Community Capital

Abstract: The foreclosure crisis presents a watershed opportunity for researchers and policy makers to re-examine the value of homeownership, especially for low- to moderate-income households. We use a unique data source, an on-going panel survey of a sample of LMI (Low-Medium Income) borrowers who obtained affordable mortgages to buy homes through the Community Advantage Program (CAP) and a comparison panel of renters. Beginning in 2009, survey questions focused on the effects of and responses to the financial crisis. From a portfolio performance standpoint, CAP loans have performed relatively well. But survey data from the CAP study allows us to better understand the complex interaction between homeownership status, economic conditions, individual behavior, and psychological well-being. Our analysis finds that although both renters and owners are experiencing similar levels of financial stress, the LMI owners were less stressed overall and reported significantly higher financial satisfaction, even after controlling for a range of factors. These findings suggest a beneficial effect from owning one's own home. Longitudinal data that introduces trigger events and tenure transitions for owners between 2008 and 2009, provides a more nuanced picture however, suggesting that the relationship between tenure status and financial stress for the LMI owners is moderated by environmental factors, especially local economic conditions.

Discussant: **J. Michael Collins**- University of Wisconsin-Madison Consumer Science

Biographies

Eric J. Johnson is the Norman Eig Chair of Business and Director of the Center for Decision Sciences at the Columbia Business School at Columbia University. 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 Wharton School. 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. 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. He is one of the most highly cited scholars in Business and Economics. Prof. Johnson's research and comments have appeared in the *New York Times, Wall Street Journal*, *Money*, *Discover*, *Business Week* and the *Financial Times*, and on the CBS Evening News and National Public Radio. His publications have appeared in the *Science*, *Harvard Business Review*, *Journal of Economic Theory*, *Psychological Review*, and *Nature Neuroscience* and many other consumer, marketing and psychology journals. He has co-authored two books: *Decision Research: A Field Guide*, published by Sage Publications and *The Adaptive Decision-Maker* published by Cambridge University Press.

Janneke Ratcliffe is Associate Director for the UNC Center for Community Capital. To the Center's research activities, she brings 20 years experience in financial services in both the private and non-profit sectors, from GE Capital to one of the nation's leading community development financial institutions. Throughout her career, she has worked to facilitate the flow of equitable financial services to households and communities. She was also recently made a Fellow with the Center for American Progress, working in the area of housing research. The UNC Center for Community Capital (www.ccc.unc.edu) conducts research on financial services to under-capitalized households and communities. Her coauthors for this paper, also with the Center, are Drs. Kim Manturuk, Research Associate and Sarah Riley, Research Economist.

J. Michael Collins is faculty director of the Center for Financial Security at the University of Wisconsin, Madison. He teaches personal finance and is a faculty affiliate of the Institute for Research on Poverty, the La Follette School of Public Affairs and Wisconsin Cooperative Extension. 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 literacy and counseling with a focus on low-income families. He is co-PI of the Social Security Administration Financial Literacy Research Consortium site at Wisconsin, a 5 year multi-disciplinary project focused on financial literacy for vulnerable populations. 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 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 Masters from the John F. Kennedy School of Government, a PhD from Cornell University, and a BS from Miami University (OH).

12:30 – 1:45 PM **Lunch**- Rio Grande Restaurant (1101 Walnut St.)

2:00 – 3:15 PM **Session 4: Interventions to Avoid or Repair Financial Distress** Columbine - Balsam)

"Stuck in Debt: How Loan Marketing Affects Consumer Personal Finances"
Lisa E. Bolton- Pennsylvania State University, Marketing
Paul N. Bloom- Duke University, Social Entrepreneurship and Marketing
Joel B. Cohen- University of Florida, Marketing

Abstract: How does loan marketing affect consumer personal finances? The present research investigates this question by examining the impact of marketing a specific financial remedy, namely the debt consolidation loan, on financial risk perceptions and financial decision-making. Initial studies examine the impact of debt consolidation loan marketing as a function of loan and consumer characteristics, demonstrating potential harmful consequences for consumer personal finances. Ongoing studies attempt to 'undo' these harmful consequences by testing loan-focused and lender-focused warning messages and financial literacy interventions. Taken together, the present research helps us to understand the psychological processes that underlie consumer response to debt consolidation marketing, as well as the generalizability and boundary conditions on the phenomenon. In doing so, factors that increase vulnerability to such loan marketing are identified—with implications for marketing and public policy.

"*The Ticket to Easy Street? The Financial Consequences of Winning the Lottery*"
Scott Hankins- University of Kentucky, College of Public Health
Mark Hoekstra- University of Pittsburgh, Economics
Paige Marta Skiba- Vanderbilt University, Law School

Abstract: This paper examines whether giving large cash transfers to financially distressed people causes them to avoid bankruptcy. A comparison of Florida Lottery winners who randomly received $50,000 to $150,000 to small winners indicates that such transfers only postpone bankruptcy rather than prevent it, a result inconsistent with the negative shock model of bankruptcy. Furthermore, the large winners who subsequently filed for bankruptcy had similar net assets and unsecured debt as small winners. Thus, our findings suggest that skepticism regarding the long-term impact of cash transfers may be warranted.

Discussant: **Mark Cole**- CredAbility.org Consumer Credit Counseling

Biographies

Lisa E. Bolton is an Associate Professor of Marketing at The Pennsylvania State University. Her research focuses on judgment and decision-making by managers and consumers, with substantive interests in new products, pricing, risk perceptions, and consumer spending and finances. She has published in leading marketing journals, including the Journal of Marketing Research, the Journal of Consumer Research, and Sloan Management Review. Her research has also been recognized by MSI (MSI Young Scholar's Program 2005) and the AMA (the John A. Howard AMA Doctoral Dissertation Award 1999-2000), and she is on the editorial board of the Journal of Marketing and the Journal of Public Policy & Marketing. She teaches marketing courses at the undergraduate, M.B.A., and Ph.D. level in consumer behavior at Penn State.

Paige Marta Skiba received her Ph.D. in Economics from UC-Berkeley and joined the Vanderbilt law faculty in the Ph.D. Program in Law and Economics. She has conducted innovative research in the area of behavioral law and economics, particularly on topics related to her dissertation, "Behavior in High-Interest Credit Markets." She studies the ways in which self-control and procrastination affect financial decision-making. Her current research focuses on the causes and consequences of borrowing on high-interest credit, such as payday loans and pawnshops, as well as the regulation of these industries. She has been the recipient of numerous research grants and fellowships from institutions such as the National Institute on Aging, National Science Foundation, Alfred P. Sloan Foundation, Russell Sage Foundation and the Federal Reserve Board of Governors. She was a senior research associate of the Federal Reserve Bank of Saint Louis from 1999 to 2001, where she conducted research on monetary policy and regional and urban economics. Professor Skiba received her B.A. in Economics from UMass Amherst in 1999.

Mark Cole is Executive Vice President and Chief Operating Officer of CredAbility.org, previously the Consumer Credit Counseling Service of Greater Atlanta. Cole oversees all of the agency's operations, including counseling, information technology, education outreach and the agency's contact center. Cole joined the agency as Chief Operating Officer in 2000. Previously he served as President of Phoenix-based Personal Debt Solutions, Chief Operating Officer for the National Foundation for Credit Counseling and President of Consumer Credit Counseling Service of Greater Fort Worth. Cole is Chairman of the Board of Directors for the Better Business Bureau of Metropolitan Atlanta. He is a member of the Leadership Atlanta class of 2009. Cole is a graduate of the University of Texas at Arlington.

3:15 – 3:30 PM **Beverage/Snack Break**

3:30 – 4:45 PM **Session 5: Mental Accounting and Savings, Spending, and Repaying**

"One or Many: How Number of Accounts Facilitate Spending or Saving Behavior"

Himanshu Mishra- University of Utah, Marketing
Arul Mishra- University of Utah, Marketing
Jessica Rixom- University of Utah, Marketing

Abstract: In this research, we investigate how holding single versus multiple liquid accounts influences people's savings behavior. We find that people save more and spend less when they maintain a single account compared to multiple accounts. This occurs because there is more room to distort the financial situation associated with multiple accounts, which makes it easier to justify spending. Conversely, a single account provides precise account information which inhibits the ease of distortion to justify spending. We call this the "spending-justification effect." We demonstrate the effect across four studies and test the underlying process.

"Winning the Battle but Losing the War: The Psychology of Debt Management"

Shahar Ayal- Duke University, Marketing
Moty Amar- Duke University, Marketing
Scott Rick, University of Michigan, Marketing
Cynthia Cryder, Washington University of St. Louis, Marketing
Dan Ariely- Duke University, Center for Cognitive Neuroscience

Abstract: Debt repayment decisions are critical issues for individuals, as well as for financial institutions that need to understand how borrowers prioritize their repayments. To explore these issues in an experimental setting, we developed a computerized debt management game in which participant were saddled with multiple debts and required to manage them over-time. In four studies, we show that when people are faced with multiple debts, they employ a "close what I can" heuristic. That is, they pay-off the smallest debt first in order to

reduce the nominal number of debt accounts, while underweighting the interest rate of each debt. Supporting the "close what I can" heuristic, this tendency reduced when the ability to allocate money to small debts was restricted, resulting in more productive debt repayments. Thus, it seems that this heuristic stems from people's desire to feel a sense of tangible progress toward their ultimate goal.

Discussant: **Mike Norton**- Harvard University, Marketing

Biographies:
Jessica Rixom is a doctoral student of Marketing at the University of Utah. Her research interests are broadly in the area of judgment and decision-making that encompass studying behaviors related to motivated reasoning, contagion theory, construal level theory, and deception. She is currently collaborating on projects with her advisors, Arul Mishra and Himanshu Mishra. Prior to starting the Ph.D. program, Jessica received her Master of Marketing Research degree from the University of Georgia and worked for several years as a consumer market research manager in the pharmaceutical division of Johnson & Johnson.

Dan Ariely. Using simple experiments, Dan Ariely studies how people actually act in the marketplace, as opposed to how they should or would perform if they were completely rational. Dan is the James B. Duke Professor of Psychology & Behavioral Economics at Duke University, where he holds appointments at the Fuqua School of Business, the Center for Cognitive Neuroscience, the School of Medicine, and the department of Economics. He is also a founding member of the Center for Advanced Hindsight. Dan earned a bachelor's degree in psychology from Tel Aviv University, his master's and doctorate degrees in cognitive psychology from the University of North Carolina, and a doctorate in Business Administration from Duke University. He is the author of the New York Times *Bestseller Predictably Irrational: The Hidden Forces that Shape Our Decisions* and of *The Upside of Irrationality: The Unexpected Ways We Defy Logic at Work and at Home*. His research has been published in leading psychology, economics, and business journals, and has been featured occasionally in the popular press. He is a regular contributor to Marketplace.

Michael I. Norton is an Associate Professor of Business Administration in the Marketing Unit at the Harvard Business School. He holds a B.A. in Psychology and English from Williams College and a Ph.D. in Psychology from Princeton University. Prior to joining HBS, Professor Norton was a Fellow at the MIT Media Lab and MIT's Sloan School of Management. His work has been published in a number of leading academic journals, including Science, the Journal of Personality and Social Psychology, Psychological Science, and the Annual Review of Psychology, and has been covered in media outlets such as the New York Times, the Wall Street Journal, and the Washington Post. His research has twice been featured in the New York Times Magazine Year in Ideas issue, in 2007 (Ambiguity Promotes Liking) and 2009 (The Counterfeit Self). His "The IKEA Effect: When Labor Leads to Love" was featured in Harvard Business Review's Breakthrough Ideas for 2009.

5:30 – 7:00 PM **Reception**- Bacaro's (921 Pearl St.)
(Spouses and partners welcome)

Tuesday, June 29

7:00 – 8:00 AM **Breakfast Buffet-** Boulderado Hotel- Columbine-Aspen Room

8:00 – 9:15 AM **Session 6: Imagining One's Future and Intertemporal Preferences** (Columbine - Balsam)

"Do Intertemporal Preferences Trump Financial Education Courses in Driving Borrowing and Payment Behavior?"

Michael Staten- University of Arizona, School of Family and Consumer Sciences
Cathleen Johnson- University of Arizona, Economics

Abstract: This paper examines the factors associated with risk money management behaviors, utilizing a uniquely rich survey dataset on college students. The data include a wide range of respondent characteristics and experiences during and prior to college that shape money management skills, attitudes and self-confidence. An important component of the data derives from carefully controlled incentivized choice experiments conducted by the authors to measure respondents' risk and time preferences. Both the subjects' degree of impatience (as measured across choices between immediate and deferred rewards) and their levels of risk tolerance turn out to have significant explanatory power in estimating several types of risk borrowing and money management behaviors.

"On Intertemporal Selfishness: The Perceived Instability of Identity Underlies Impatient Consumption"

Daniel M. Bartels- University of Chicago, Center for Decision Research
Oleg Urminsky- University of Chicago, Marketing

Abstract: We explore how the anticipated connectedness between one's current and future identity can help explain impatience in intertemporal preferences. The less closely connected psychologically a person is to their future self, the less willing they will be to forego immediate benefits in order to ensure larger deferred benefits to be received by that future self . We show that when people's measured or manipulated sense of continuity with their future self is lower, they accept smaller, sooner rewards, wait less in order to save money on a purchase, and require a larger premium to delay receiving a gift card.

Discussant: **Hal Ersner-Herschfield**- Northwestern University, Management & Organizations

Biographies:
Michael E. Staten holds the Take Charge America endowed chair in the Norton School of Family and Consumer Sciences at the University of Arizona. He is also director of the Take Charge America Institute for Consumer Financial Education and Research. Over the past 20 years Dr. Staten has designed and conducted research projects on a wide range of policy-oriented issues involving consumer and mortgage credit markets, initially as director of the Credit Research Center at Purdue University (1988 – 1997), and later as Distinguished Professor and Director of the re-located Credit Research Center at Georgetown University (1997 - 2006), and the George Washington University School of Business (2006-2007). He has published numerous articles on retail financial services in academic journals and edited volumes. He has made invited presentations at workshops and events sponsored by the Federal Trade Commission, the Federal Deposit Insurance Corporation, the Federal Reserve Board, and Washington, DC think-tanks including the American Enterprise Institute and the Brookings Institution. Staten received his Ph.D. in economics from Purdue University's Krannert Graduate School of Management in 1980. He currently serves as a trustee for the American Financial Services Association Education Foundation, and is on the Advisory Council for the National

Foundation for Credit Counseling. He also served as Chairman of the Board of Directors of the Purdue Employees Federal Credit Union from 1995-1997.

Cathleen Johnson is an economist at the University of Arizona and is the Vice Director of the Economics Science Laboratory (founded by Vernon Smith). Her public policy-oriented research develops experimental economic instruments to measure consumer preferences, with special emphasis on attitudes towards risk and inter-temporal preferences. She has designed and implemented several large-scale, innovative field studies that examined individual investment in post-secondary education in Canada. She also used experimental methods to measure inter-personal preferences, and time and risk preferences among Houston high school students in an ongoing study of student drop-out rates. Johnson also serves as the Director of the Office of Economic Education in the University of Arizona's Norton School of Family and Consumer Sciences. The Office of Economic Education offers workshops and university courses to Arizona K-12 teachers to help them become Highly Qualified in Economics. Johnson also serves on the board of the University of Arizona's Take Charge America Institute for Consumer Financial Education and Research. She received her Ph.D in economics from Virginia Tech.

Daniel M. Bartels is currently a Postdoctoral Fellow at the Center for Decision Research at the University of Chicago and will be joining the Columbia Business School as Assistant Professor of Marketing in the fall. He received his Ph.D. in cognitive psychology from Northwestern University. His research interests are in judgment and decision making. More specifically, his work focuses on the cognitive processes underlying moral and intertemporal choice and has been published in the *Journal of Experimental Psychology: General*, *Psychological Science*, *Cognition*, and *Organizational Behavior and Human Decision Processes*.

Hal Ersner-Hershfield received his Ph.D. in psychology from Stanford University in 2009 and his B.A. from Tufts University in 2001. He is currently a Post-Doctoral Fellow and Visiting Assistant Professor at Northwestern University's Kellogg School of Management. Dr. Ersner-Hershfield studies the ways that thinking about time changes the emotions that people feel and alters the decisions that they make. He has published in journals such as Journal of Personality and Social Psychology and Psychological Science. His work has been covered by *The Financial Times*, *The New York Times*, *The Wall Street Journal*, and *The Economist*.

9:15 – 9:30 AM **Break**

9:30 – 10:45 AM **Session 7: Memory, Attention, and Intertemporal Preferences**

"Getting to the Top of Mind: How Reminders Increase Saving"

Dean Karlan- Yale University, Economics
Margaret McConnell- Harvard University, Center for Population and Development Studies
Sendhil Mullainathan- Harvard University, Economics
Jonathan Zinman- Dartmouth College, Economics

Abstract: We develop and test a simple model of limited attention in intertemporal choice. The model posits that individuals fully attend to consumption in all periods but fail to attend to some future lumpy expenditure opportunities. This asymmetry generates some predictions that overlap with models of present-bias. Our model also generates the unique predictions that reminders may increase saving, and that reminders will be more effective when they increase the salience of a specific expenditure. We and support for these predictions in three field experiments that randomly assign reminders to new savings account holders.

"Constraints Drive Opportunity Cost Consideration"

Stephen A. Spiller- Duke University, Marketing

Abstract: When do consumers consider their opportunity costs? Opportunity costs are important normative decision inputs: every time consumers spend resources on one purchase, they must forego some other purchase. When consumers consider their opportunity costs, purchase decisions are a matter of "what do I buy" instead of "do I buy?" In aggregate, these individual decisions influence overall financial wellbeing. I propose that resource constraints drive opportunity cost consideration by increasing the value of considering alternate resource uses. I find that consumers with fewer resources are more likely to report considering other uses for their money, are more sensitive to the value of alternate resource uses, and are more sensitive to tradeoffs in their environment. Even when resources are equated over a longer horizon, short budget frames (e.g., weekly vs. monthly budgets) can drive perceived constraint.

Discussant: **Leaf van Boven**- University of Colorado, Psychology

Biographies:

Jonathan Zinman is a tenured Associate Professor of Economics at Dartmouth College. He joined the faculty in 2005 after working as a researcher at the Federal Reserve Bank of New York. Professor Zinman obtained his PhD in economics from the Massachusetts Institute of Technology in 2002, and a B.A. in government from Harvard in 1993. In addition to his work at Dartmouth, Professor Zinman also serves as a Visiting Scholar at the Federal Reserve Bank of Philadelphia, a member of the Behavioral Finance Forum, a research associate of Innovations for Poverty Action and J-PAL, a Research Advisory Board member of stickk.com, and a member of the new Sage/Sloan Foundations working group on Behavioral Economics and the Regulation of Retail Financial Markets. Professor Zinman's research focuses on intertemporal choice and household finance. His work tests economic theories of how firms and consumers interact in markets, and closely examines the merits of incorporating specific features of psychology into economic models. He also works on methodological questions, developing randomized-control field experiments and survey designs that permit clean tests of economic theories and related policy questions. He has papers published or forthcoming in several top journals in economics and finance, and his work has been featured extensively in popular and trade media as well. Professor Zinman applies his research by working with policymakers and financial institutions around the globe.

Stephen A. Spiller is a Ph.D. Candidate in Marketing at Duke University. His research focuses on how consumers plan and think about the uses of their basic resources such as time and money. His dissertation examines the impacts of constrained resources and accessibility of alternate resource uses on consideration of opportunity costs.

Leaf Van Boven is Associate Professor of Psychology and Neuroscience at the University of Colorado at Boulder. He received his PhD in Psychology from Cornell University in 2000. He was Assistant Professor of Marketing on the Faculty of Commerce at the University of British Columbia, 2000-2002; visiting Assistant Professor of Behavioral Science at the University of Chicago, 2005; and Assistant Professor of Marketing and Behavioral Science in the Johnson School of Management at Cornell University, 2006-2007. His research interests center on the interrelation between cognition, behavior, and emotion -- and on people's intuitions about those interrelations.

10:45 – 11:00 AM **Beverage Break**

11:00 – 12:15 PM **Session 8: Numerical Reasoning and Consumer Financial Decision Making**

"Misunderstanding Savings Growth: Implications for Retirement Savings"

Craig R.M. McKenzie- University of California at San Diego, Psychology
Michael J. Liersch- New York University, Management and Organizations

Abstract: People systematically underestimate exponential growth. The current studies illustrate this phenomenon, its implications, and potential interventions, in the context of saving for retirement, where savings grow exponentially over long periods of time. Experiments 1 and 2 showed that the majority of participants expected savings over 40 years to grow linearly rather than exponentially. Experiment 3 demonstrated that this misunderstanding of savings growth led participants to massively underestimate the cost of waiting to save, which makes putting off saving more attractive than it ought to be. Finally, Experiments 4 and 5 showed that highlighting the exponential growth of savings motivated both college students and real employees to save more for retirement.

"Stochastic Mortality and the Dispersion of Subjective Estimates of Survival Probabilities- Evidence from Europe"

Thomas Post- Maastricht University, Finance
Katja Hanewald- Humboldt-Universitat zu Berlin, Insurance and Risk Management

Abstract: Theoretical studies indicate that unexpected changes of future mortality and survival probabilities (stochastic mortality) are important determinants of individuals' decisions on consumption, saving, asset allocation, and retirement timing, as well as for equilibrium annuity prices. Using data on subjective survival probabilities elicited in the Survey of Health, Ageing and Retirement in Europe (SHARE) and corresponding life table data from the Human Mortality Database (HMD), we analyze awareness of stochastic mortality among individuals in 10 European countries. Our results show that the dispersion of subjective estimates of survival probabilities is positively linked to the dispersion of objective survival rates, indicating an awareness of stochastic mortality among SHARE respondents.

Discussant: Victor Stango- University of California at Davis, Economics

Biographies:

Craig R. M. McKenzie holds a joint appointment in the Rady School of Management and the Department of Psychology at UC San Diego. He received his Ph.D. in psychology from the University of Chicago. His interests are in behavioral decision making in general, and in inference and uncertainty in particular. Much of his recent research explains errors people purportedly make in the laboratory by (a) adopting a different (usually Bayesian) normative approach to the task of interest and (b) taking into account the typical structure of the environment.

Thomas Post is Assistant Professor of Finance at Maastricht University and affiliated with Netspar. Before joining Maastricht University, he received a PhD from Humboldt University Berlin and had a visiting position at the University of Illinois at Urbana-Champaign. His research covers pension finance, in particular annuitization and asset allocation decisions of households as well as mortality risk management for insurance companies and pension funds.

Victor Stango is Associate Professor of Economics in the Graduate School of Management at UC, Davis. His current work examines links between financial literacy and household financial decisions. Professor Stango's research appears in the American Economic Review, the Journal of Finance, the Review of Financial Studies, and other leading academic journals as well as applied and mainstream media outlets. His prior experience includes positions in the Tuck School of Business at Dartmouth College, the Federal Reserve Banks of Chicago and New York, and other academic institutions.

12:30 – 1:45 PM **Lunch**- Boulder Draft House

2:00 – 3:15 PM **Session 9: Individual Differences Affecting Consumer Financial Decision Making**

"Different Affective Learning Systems Contribute to the Accumulation of Assets and Debt"

Brian Knuston- Stanford University, Psychology
Gregory R. Samanez-Larkin- Stanford University, Psychology
Camelia M. Kuhnen- Northwestern University, Finance

Abstract: In an experimental setting that combines a financial investment task, functional brain imaging and credit report data regarding our participants' finances, we find that individuals who learn better about gains have more real-life assets while individuals who learn better about losses have less debt, and document that brain areas related to emotion processing are responsible for incorporating financial information into choice. The results are robust to the inclusion of cognitive (i.e., memory, cognitive flexibility, numeracy) and demographic (i.e., age, sex, ethnicity, education) controls. The sensitivity of the medial prefrontal cortex to expected value during gain learning and the sensitivity of the anterior insula to expected value during loss learning are predictors of individual differences in performance on the financial choice task. Moreover, within individuals, learning from gains and learning from losses are not correlated. These findings suggest that distinct systems in the emotion-related areas of the brain guide gain and loss learning and influence real-life financial outcomes.

"Beyond Risk Tolerance: Regret, Overconfidence, and Other Investor Propensities"

Carrie H. Pan- Santa Clara University, Finance
Meir Statman- Santa Clara University, Finance

Abstract: Typical risk questionnaires aimed at helping advisors guide investors are deficient in five ways. First, each investor has a multitude of risk tolerances, one for each mental account. Probes for a global risk tolerance miss that multitude. Second, the links between answers to questions in risk questionnaires and recommended portfolio allocations are governed by opaque rules of thumb rather than by transparent theory. Third, investors' risk tolerance varies as financial markets go up and down. High returns buoy investors with exuberance and inflate their risk tolerance while negative returns sink investors with fear and deflate their risk tolerance. Failure to account for exuberance and fear biases assessments of risk tolerance. Fourth, risk tolerance varies when assessed in foresight or hindsight. Moreover, hindsight amplifies regret. Investors with high propensity for hindsight and regret might claim, in hindsight, that advisors have overstated their risk tolerance. Fifth, propensities beyond risk tolerance and regret matter to advisors as they guide investors. For example, investors' propensity for trust matters because trusting investors are likely easier to guide; and investors' propensity for overconfidence matters because overconfident investors likely overstate their risk tolerance. Moreover, information about personality can help advisors guide investors since propensities are associated with personality. We discuss these deficiencies and offer remedies, based on a survey of more than 2,500 individuals.

Discussant: **Martin Reimann**- University of Southern California, Psychology

Biographies:

Camelia M. Kuhnen is an associate professor of finance at the Kellogg School of Management. She completed her Ph.D. in finance at the Stanford Graduate School of Business, and has undergraduate degrees in finance as well as neuroscience. Her research interests include corporate finance, behavioral finance and neuroeconomics. Prof. Kuhnen studies incentives in the workplace for various types of agents, such as mutual fund managers, chief executive officers, as well as lower level employees, using both field data and experimental evidence. She also studies the micro-˚©-foundations of financial decision making by investigating the brain mechanisms responsible for learning and risk taking in financial markets.

Meir Statman is the Glenn Klimek Professor of Finance at the Leavey School of Business, Santa Clara University and Visiting Professor at Tilburg University in the Netherlands. He received his Ph.D. from Columbia University and his B.A. and M.B.A.from the Hebrew University of Jerusalem. His research focuses on behavioral finance. He attempts to understand how investors and managers make financial decisions and how these decisions are reflected in financial markets. The questions he addresses include: What are the cognitive errors and emotions that influence investors? What are investor aspirations? How can financial advisors and plan sponsors help investors? What is the nature of risk and regret? How do investors form portfolios? How successful are tactical asset allocation and strategic asset allocation? What determines stock returns? What are the effects of sentiment? How successful are socially responsible investors? Meir's research has been published in the *Journal of Finance*, the *Journal of Financial Economics*, the *Review of Financial Studies*, the *Journal of Financial and Quantitative Analysis,* the *Financial Analysts Journal*, the *Journal of Portfolio Management,* and many other journals. Meir is a Recipient of a Batterymarch Fellowship, a William F. Sharpe Best Paper Award, a Bernstein Fabozzi/Jacobs Levy Outstanding Article Award, a Davis Ethics Award, a Moskowitz Prize for best paper on socially responsible investing, two Baker IMCA Awards, and three Graham and Dodd Scroll Awards. Meir consults with many investment companies and presents his work to academics and professionals in many forums in the U.S. and abroad.

Martin Reimann is a doctoral candidate of psychology, with a major in brain and cognitive sciences and a minor in consumer behavior, at the University of Southern California, working with Antoine Bechara and Deborah MacInnis. Prior to USC, he studied marketing and consumer behavior at universities in Passau, Leipzig, and Freiberg (all in Germany) and had the opportunity to conduct research at Stanford University with Brian Knutson. Martin's research interests are (1) in consumer behavior, psychology, and neuroscience: specifically, emotion and financial decision-making, aesthetics and creativity in product design, and brand relationships, as well as (2) in marketing strategy: specifically, the commoditization of products and industries. His research has been published or is forthcoming in the Journal of the Academy of Marketing Science, the International Journal of Research in Marketing, and the Journal of Economic Psychology, among other outlets. Martin founded and edits the peer-reviewed Journal of Neuroscience, Psychology, and Economics (JNPE), an official journal of the American Psychological Association (APA).

3:15 – 3:30 PM **Break**

3:30 – 4:45 PM **Session 10: Financial Decisions in Turbulent Markets**

"Changes of Expectations and Risk Attitudes and Their Impact on Risk Taking Behavior"

Alen Nosic- University of Mannheim, Finance, Banking
Martin Weber- University of Mannheim, Finance, Banking

Abstract: We use data from a repeated survey panel that was run with real online broker customers in September 2008, December 2008, and March 2009. In all three surveys subjects' risk attitudes, risk expectations, return expectations, and risk taking behavior, i.e. the proportion of wealth they are willing to invest into the stock market compared to a risk free asset, were elicited. Using this unique dataset we analyze whether risk taking, risk attitudes, and expectations change from one quarter to the other and whether the latter two have an impact on risk taking behavior. Our results indicate that risk taking behavior decreases substantially from September to December and from December to March. Similarly, risk expectations and return expectations also change substantially from one survey to the next one. In contrast, various measures of risk attitudes are fairly stable over the time periods. Interestingly, observed changes in risk taking behavior can primarily be attributed to changes in risk and return expectations but not to changes in past performance or changes in risk attitudes. Moreover, our findings are valuable for practitioners - who are urged by MiFID (2006) to elicit their customers' risk profiles and risk preferences - since we show that risk attitudes remain fairly stable and that changes in investment behavior can mainly be attributed to changes in expectations. Lastly, we illustrate that overconfidence seems to be a fairly stable construct between September and December and tends to decrease slightly from December to March.

"Why Are Bear Markets Bumpier than Bull Markets?"

James E. Heyman- University of St. Thomas, Marketing
Christopher Summers- University of St. Thomas, Marketing

Abstract: Stock markets have historically displayed greater volatility in bear markets than in bull markets. As opposed to the traditional top-down econometric analyses the authors offer a bottom-up behavioral perspective. Based on prospect theory the authors hypothesize that people's preference for market volatility is negatively correlated to returns even absent a risk-reward premium. To connect the historical record to individual decision making we investigated whether preferences towards variance are a function of investment return, and predicted that people will state and reveal preferences for lower variability in bull markets and for higher variability in bear markets. If bear and bull markets represent domains of losses and gains respectively, prospect theory predicts that investors will be more risk seeking during down markets. These hypotheses were tested in one hypothetical and two real-money experiments exposed participants to an investment that was either consistently, albeit not monotonically, rising or falling with high or low variability. Analysis of intuitive preference, affective reaction, and actual profit maximizing choice all indicated that the historical market patterns are consistent with individual preferences.

Discussant: **Susan Thorp**- University of Technology- Sydney School of Finance and Economics

Biographies:

Prof. Dr. h.c. Martin Weber has a Chair for Banking and Finance at the University of Mannheim. He is also Director of the University`s Institute of Investment Banking. Born in 1952, he studied mathematics and business administration and received his Ph.D. as well as his habilitation for business administration from the University of Aachen. Before joining the University of Mannheim he held Professorships at the Universities of Cologne and Kiel. He spent about 3 years as visiting scholar at UCLA, at the Wharton School, at Stanford University and at the Fuqua School of Business, Duke University. His main interests lie in the area of banking, behavioral finance, and its psychological foundations. He is the author of numerous publications in these areas and co-author of textbooks on decision analysis and banking. Sprecher (Director) 1997-2002 and Stellvertretender Sprecher (Deputy Director) 2003-2008 for the Sonderforschungsbereich 504 of the German National Science Foundation (Rationalitätskonzepte, Entscheidungsverhalten und ökonomische Modellierung, Rationality, Decision Making and Economic Modelling) and he serves on the editorial board of various national and international journals. Dekan (Dean) of the Faculty for Business Administration, University of Mannheim (4/2004 - 03/2006). Member of The German Academy of Natural Scientists Leopoldina, Member of The Berlin-Brandenburg Academy of Sciences and Humanities. He was awarded an Honorary Doctoral Degree by the University of Münster in June 2007.

James E. Heyman earned his PhD in marketing from the University of California -˚©- Berkeley, specializing in consumer behavior and is currently an Assistant Professor of Marketing at the University of St. Thomas, Opus College of Business in the Twin Cities, Minnesota. James' research focuses primarily on behavioral economics and how consumers process information to make judgments and decisions.

Susan Thorp is Senior Lecturer in Finance at the School of Finance and Economics, University of Technology, Sydney. She is an Associate of the Centre for the Study of Choice, UTS, the Centre for Applied Macroeconomic Analysis, Australian National University and the National Centre for Econometric Research, Queensland University of Technology. Her research interests include long-horizon wealth management, focusing on retirement savings and pension finance, and financial econometrics. Her publications include articles in the Journal of Banking and Finance, the Journal of Behavioral Finance, the Journal of Financial Research and the Journal of Population Economics. Dr Thorp has worked as an economist at the Reserve Bank of Australia. She received her BEc (Honours) from the University of Sydney and her PhD from the University of New South Wales.

4:45 – 5:00 PM Closing Remarks

John Payne- Duke University, Management, Psychology and Neuroscience

John W. Payne is the Joseph J. Ruvane, Jr. Professor of Business Administration at the Fuqua School of Business. He is also a Professor of Psychology and Neuroscience, Professor of Law, and Research Professor in the Institute of Statistics and Decision Sciences at Duke University. He was Deputy Dean for the Fuqua School of Business for six years. He has a B.A. in Mathematical and Computer Models in the Social Sciences, and an M.A. and Ph.D. in Psychology, all from the University of California, Irvine. His research deals with how people make decisions, and how decision making might be improved. He has authored or edited four books and numerous journal articles and book chapters. Research awards include the Leo Melamed Prize, University of Chicago, 2000 and the first (2002) JCR award for long-term contribution to consumer research. He is a fellow of both the American Psychological Association and the American Psychological Society, and past President of the Judgment and Decision Making Society.

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The mission of the Center for Research on Consumer Financial Decision Making is to support interdisciplinary scholarship that informs theory, practice, and public policy pertaining to consumer financial decision making. The Center conducts basic research, more applied work to inform public policy. It engages in outreach aimed at improving consumer welfare by fostering conversations among consumer groups, public policy officials, business people serving financial markets, and researchers from multiple disciplines.

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