Cover Page of Glossy Program

top line:

Center for Research on Consumer Financial Decision Making

2013 Boulder Summer Conference on Consumer Financial Decision Making

May 19-21, 2013

Lower logo Leeds

Page 2, need black and white photo…. Perhaps of Leeds dome as last year

Welcome

Welcome to the 2013 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, Consumer Sciences, Law, Marketing, Psychology, Human Ecology, Behavioral Economics, Management, and Public Affairs. 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: Europe, Australia, and North America.

Over the next three days, we are in for a treat. Sunday afternoon we will have opening keynote remarks by Eric Johnson about helping consumers make decision about paying for health care. This will be followed by a panel discussion with leading experts from private industry and academia about solutions through industry and government. We will follow that with a cocktail party and poster session, giving us a chance to get to know more about others at the conference.

We have another keynote session Tuesday morning, with John Rogers, Richard Fry, and Chris Hsee highlighting three under-researched areas: racial and ethnic differences in retirement readiness, making better decisions about investments in education and human capital, and how financial decisions affect human happiness (rather than a dollar metric of welfare).

Monday, we begin with a focus on what affects consumers in trouble or dealing with a small and uncertain resource base and how they have responded or changed their behavior in response to market turbulence. After lunch, we consider changes in consumer behavior moving from college to young adulthood and marriage.

On Tuesday, after a session on mortgages, we ask the question of what forms of assistance really can help consumers across a broad set of financial assistance. How much of behavior is hard wired? When does information in the form of financial advice or disclosures help? When do incentives work as intended to shape desired financial behaviors?

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

2013 Boulder Summer Conference on Consumer Financial Decision Making
May 19-21, 2013

St. Julien Hotel and Spa, Xanadu Ballroom

PROGRAM

Sunday, May 19th

2:30-3:30 PM	**Conference Packet Pick-up & Poster Setup** St. Julien, Xanadu Ballroom Lobby
3:30-3:45 PM	**Welcome** (John Lynch and Donnie Lichtenstein) Xanadu Ballroom
3:45-4:15 PM	**Opening Remarks** "Choicecuts: Making Health Care Financial Choices Easier for Yourself and Everyone" **Eric Johnson**, Columbia University
4:15-5:30 PM	**Panel Discussion on Helping Consumers Make Decisions About Paying for Health Care** **Peter A. Ubel,** Duke University **Ted von Glahn,** Pacific Business Group on Health **Rebecca Steinfort,** Paladina Health
5:30-5:45 PM	**Break**
5:45-7:15 PM	**Poster Session and Reception** St. Julien, Outdoor Terrace (weather permitting) (Conference registrants only, please)

Monday, May 20th

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

8:00-9:15 AM **Session 1: Hidden Effects of Government Insurance Programs**

"Crises and Confidence: Systemic Banking Crises and Depositor Behavior"
Anna Paulson – Federal Reserve Bank of Chicago (Economics)
Una Osili – Indiana University-Purdue University Indianapolis (Economics)

"Unemployment Insurance and Consumer Credit"
Brian Melzer – Northwestern University (Finance)
Joanne Hsu – Federal Reserve Board of Governors (Economics)
David Matsa – Northwestern University (Finance)

Discussant: Janneke Ratcliffe, Center for Community Capital

9:30-10:45 AM **Session 2: Low Income Financial Behavior**

"Poor and Impatient: Helplessness Driven Poverty"
Ayelet Gneezy – University of California, San Diego (Marketing)
Alex Imas – University of California, San Diego (Economics)

"Forms, Meanings, and Consequences of Loan Aversion: Evidence from a Mixed-Method Study of Undergraduates from Low-Income Families"
Sara Goldrick-Rab – University of Wisconsin-Madison (Sociology)
Kaja Rebane – University of Wisconsin-Madison (Economics)
Robert Kelchen – University of Wisconsin-Madison (Policy Studies)

Discussant: Jeanne Hogarth, Center for Financial Services Innovation

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

11:00-12:15 PM **Session 3: Consumer Deleveraging**

"Are Declines in Consumer Debt Due to Credit Supply or Credit Demand?"
Elizabeth Laderman – Federal Reserve Bank of San Francisco (Economics)
Reint Gropp – Goethe University Frankfurt (Finance)
John Krainer – Federal Reserve Bank of San Francisco (Economics)

"At the Corner of Main and Wall Street: Family Pension Responses to Liquidity Change and Perceived Returns"
Frank Stafford – University of Michigan (Economics)
Thomas Bridges – University of Michigan (Economics)

Discussant: Amy Crews Cutts, Equifax

12:30-1:45 PM	**Lunch Break** – Bacaro Restaurant, 921 Pearl Street (Conference registrants only, please)
2:00- 3:15 PM	**Session 4: Life Course Change and Financial Decisions** "Student Loan Indebtedness and the Transition to Adulthood" **Rachel Dwyer** – Ohio State University (Sociology) Randy Hodson – Ohio State University (Sociology) "Marital dynamics and portfolio choice: The link between intra-household frictions and gender differences in risk aversion in portfolio compositions" **Avni Shah** – Duke University (Marketing) Howard Kung – University of British Columbia (Finance) Jawad Addoum – University of Miami (Finance) Discussant: Fenaba Addo, University of Wisconsin and Robert Wood Johnson Foundation
3:15- 3:30 PM	**Beverage/Snack Break** Xanadu Ballroom Lobby
3:30- 4:45 PM	**Session 5: Couple Financial Decision Making** "Household Formation, Credit, and Trustworthiness" **Jane Dokko** – Board of Governors of the Federal Reserve (Economics) Geng Li – Board of Governors of the Federal Reserve (Research and Statistics) "How Does Social Security Claiming Respond to Incentives? Considering Husbands' and Wives' Benefits Separately" **Alice Henriques** – Board of Governors of the Federal Reserve (Economics) Discussant: Deborah Small, University of Pennsylvania
5:30-7:15 PM	**Reception** – Bacaro Restaurant, 921 Pearl Street, 2nd Floor Deck (Partners and spouses welcome)

Tuesday, May 21st

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

Breakfast with Alison Borland - Race, Ethnicity, and Retirement Readiness
Xanadu Ballroom (Open to all conference attendees)

8:00-8:45 AM **Opening Keynotes**

Three Under-Researched Issues in Consumer Financial Decision Making
"Race, Ethnicity, and Retirement Preparedness" – **John Rogers**, Ariel Investments
"Investing in One's Education" – **Richard Fry**, Pew Charitable Trusts
"Happiness as a Dependent Variable" – **Chris Hsee**, University of Chicago

9:00-10:15 AM **Session 6: Mortgages and Mortgage Refinance**

"A Field Experiment of Post-Purchase Monitoring on the Financial Outcomes of First-Time Homebuyers"
J. Michael Collins – University of Wisconsin (Consumer Science)
Stephanie Moulton – The Ohio State University (Consumer Science)
Caezilia Loibl – The Ohio State University (Consumer Science)
Anya Samak – University of Wisconsin (Consumer Science)

"Psychological Barriers to Refinance Mortgages"
Stephan Meier – Columbia University (Economics)
Eric Johnson – Columbia University (Behavioral Economics)
Olivier Toubia – Columbia University (Marketing)

Discussant: Gal Zauberman, University of Pennsylvania

10:15-10:30 AM **Beverage Break**
Xanadu Ballroom Lobby

10:30-11:45 AM **Session 7: Hard-Wired Financial Behavior**

"Neural Measures of Regret and Stock Repurchase Behavior"
Cary Frydman – USC Marshall School of Business (Finance)
Colin Camerer – California Institute of Technology (NeuroEconomics)
Antonio Rangel – California Institute of Technology (NeuroEconomics)

"Prenatal Exposure to Testosterone Increases Financial Risk Taking and Reduces the Gender Gap"
Alessandro Previtero – University of Western Ontario (Finance)
Henrik Cronqvist – Claremont McKenna College (Finance)
Stephan Siegel – University of Washington (Finance)

Rod White – University of Western Ontario (Management)

Discussant: Nina Mazar, University of Toronto

12:00-1:15 PM **Lunch Break** – Bacaro Restaurant, 921 Pearl Street
(Conference registrants only, please)

1:30-2:45 PM **Session 8: Financial Advice**

"Biased Recommendations"
Rick Harbaugh – Indiana University (Economics)
Wonsuk Chung – Indiana University (Economics)

"Customers as Advisors: The Role of Social Media in Financial Markets"
Byoung-Hyoun Hwang – Purdue University (Finance)
Hailiang Chen – City University of Hong Kong (Information Systems)
Prabuddha De – Purdue University (Information Systems)
Yu Hu – Georgia Institute of Technology (Information Systems)

Discussant: Irene Skricki, Consumer Financial Protection Bureau

2:45-4:00 PM **Session 9: Limits of Disclosures**

"An Experiment on Mutual Fund Fees in Retirement Investing"
Tess Wilkinson-Ryan – University of Pennsylvania (Law)
Jill Fisch – University of Pennsylvania (Law)

"As Easy as Pie: Return, Risk and Concentration Information in Retirement Portfolio Choice"
Susan Thorp – University of Technology Sydney (Finance)
Hazel Bateman – University of New South Wales (Pension Economics and Finance)
Isabella Dobrescu – University of New South Wales (Mathematics and Economics)
Ben Newell – University of New South Wales (Psychology)
Andreas Ortmann – University of New South Wales (Behavioral Economics)

Discussant: Dustin Beckett, Consumer Financial Protection Bureau

4:00-4:15 PM **Beverage/Snack Break**
Xanadu Ballroom Lobby

4:15-5:30 PM **Session 10: Incentives and Government Policy**

"It's Not About the Money: The Impact of Taxes on Productivity"
Scott Rick – University of Michigan (Marketing)
Gabriele Paolacci – Erasmus University (Marketing)
Katherine Burson – University of Michigan (Marketing)

“A Randomized Trial of the Split Benefit Health Insurance Mechanism”

Christopher Robertson – University of Arizona (Law)

Discussant: Anat Bracha, Federal Reserve-Boston

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PROGRAM AND ABSTRACTS

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5:30-5:45 PM	**Break**
5:45-7:15 PM	**Poster Session and Reception** St. Julien, Outdoor Terrace (weather permitting) (Conference registrants only, please)

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.

Peter A. Ubel is the Madge and Dennis T. McLawhorn University Professor of Business, Public Policy and Medicine at Duke University. His research explores controversial issues about the role of values and preferences in health care decision making, from decisions at the bedside to policy decisions. He uses the tools of decision psychology and behavioral economics to explore topics like informed consent, shared decision making and health care cost containment. His books include Pricing Life: Why it's time for healthcare rationing (MIT Press 2000) and Free Market Madness: How economics is at odds with human nature—and why it matters (Harvard Business Press, 2009). His newest book, Critical Decisions (HarperCollins, 2012) explores the challenges of shared decision making between doctors and patients. You can find his blogs and other information at http://www.peterubel.com/.

Ted von Glahn is a Senior Director and oversees PBGH's efforts to collect, score and use health plan and provider performance information through the California Healthcare Performance System Inc. (CHPI). CHPI is a multi-payer data aggregation, measurement and reporting initiative. He also leads the annual California Patient Assessment Survey (PAS) to measure patient experiences with their physician and medical group. Current consumer information responsibilities include Exchange consumer research involving a number of consumer plan choice experiments to establish the decision support rules for the health exchanges. On behalf of PBGH's members, he evaluates health plan and vendor health consumer decision support tools. He has developed a health plan choice decision support application, the PBGH Plan Chooser, for a number of large purchasers to assist enrollees in choosing a plan by considering plan cost, quality, coverage and program services information.
Prior to joining PBGH in January 2001, Mr. von Glahn was Senior Vice President of Business Applications at FACCT, the Foundation for Accountability in Portland, OR. His work experience also includes a decade of health plan management work at Providence Health Plans and CareMark Health Plan, both in Portland. He was a healthcare management consultant at William M. Mercer, Inc. in Chicago and worked as a legislative aide in the U.S. Congress. Mr. von Glahn received his bachelor's degree from Connecticut College and his master's degree in health policy and management from Harvard University's School of Public Health.

Rebecca Steinfort joined Paladina's parent company, DaVita, in mid-2009 as its Chief Strategy & Marketing Officer. During her first year at DaVita, she led a strategy effort with the Executive Team and Board of Directors to identify expansion markets that would enable DaVita to profitably grow outside of its core dialysis business and catalyze positive changes across the broader healthcare system. Rebecca now leads the day-to-day operations of Paladina Health, the byproduct of her strategy work. Rebecca spent the two years prior working with a private equity-backed turnaround team at Quiznos. During this tenure, she played multiple roles, including SVP of Corporate Strategy, SVP of Delivery & Catering Services, and finally as Chief Marketing Officer. Rebecca also spent seven years at Level 3 Communications, a $5B provider of next-generation communications services with the mission of disrupting the incumbent Bell companies following the 1996 Telecom Deregulation Act. While there, she led the integration of six acquired competitors, managed a variety of products and led the company's corporate strategy efforts. Earlier in her career, Rebecca held positions with a number of strategy consulting firms, including Bain & Co. and The Boston Consulting Group. In these positions, she helped clients across financial services, consumer products, manufacturing and technology industries drive superior performance by recommending and implementing growth initiatives and cost reduction strategies. She also implemented planning processes and performance management systems in more than a dozen companies. Rebecca earned her MBA from Harvard Business School and her BS in Political Science with Distinction from Princeton University.

Monday, May 20th

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

8:00-9:15 AM **Session 1: Hidden Effects of Government Insurance Programs**

Discussant: **Janneke Ratcliffe**, Center for Community Capital

"Crises and Confidence: Systemic Banking Crises and Depositor Behavior"
Anna Paulson – Federal Reserve Bank of Chicago (Economics)
Una Osili – Indiana University-Purdue University Indianapolis (Economics)

Abstract: We show that individuals who have experienced a systemic banking crisis are 11 percentage points less likely to use banks in the U.S. compared to otherwise similar individuals who migrated from the same country but did not live through a crisis. This finding is robust to controlling for exposure to other macroeconomic events and to various methods for addressing potential bias due to migrant self-selection. Consistent with the view that personal experience plays an important role in decision-making, the effects are larger for individuals who were older and more likely to have had wealth entrusted to the banking system at the time of the crisis and for people who experienced crises in countries without deposit insurance.

"Unemployment Insurance and Consumer Credit"
Brian Melzer – Northwestern University (Finance)
Joanne Hsu – Federal Reserve Board of Governors (Economics)
David Matsa – Northwestern University (Finance)

Abstract: This paper examines the impact of unemployment insurance (UI) on credit markets. Exploiting heterogeneity in the generosity of unemployment insurance across US states and over time, we find that UI helps the unemployed avoid defaulting on their debt. For every $1,000 increase in maximum UI benefits, mortgage delinquency drops by 2% and the eviction rate drops by 10% among unemployed homeowners. We also find that lenders respond to this decline in default risk by expanding credit access for low-income households who are at risk of being laid off. For every $1,000 increase maximum UI benefits, low-income households are offered $900 (4%) more in credit card debt as well as lower interest rates on credit cards and mortgages (0.5% reduction). These results show that the poor benefit from the insurance provided by a stronger social safety net even without experiencing a negative shock.

Biographies:
Janneke Ratcliffe is a Senior Fellow at American Progress, where her work focuses on using research in the area of housing finance to inform policy and practice. Since 2005 she has served as executive director for the UNC Center for Community Capital at the University of North Carolina at Chapel Hill, a research center dedicated to exploring ways to increase economic opportunity for undercapitalized communities that are effective in building assets and sustainable from a business perspective. She has 20 years of experience in nonprofit and for-profit financial institutions, from GE Capital to one of the country's leading community development financial institutions. Through her work in mortgages,

business lending, and community development finance, she has built expertise in facilitating the flow of financial services to households and communities.

Anna Paulson is a vice president and director of financial research in the economic research department at the Federal Reserve Bank of Chicago. Previously, she served as vice president in the financial markets group. Prior to her appointment in 2009 to the financial markets group, she was a senior financial economist in the research department of the Federal Reserve Bank of Chicago. Paulson's research focuses on how households cope with risk and incomplete financial markets. Her current research includes studies of the relationship between institutions and financial development and the dynamics of entrepreneurship. Paulson's research has been published in scholarly journals, including the *Journal of Political Economy*, the *Review of Economics and Statistics* and the *Journal of Corporate Finance*. Before joining the Fed in November 2001, Paulson was an assistant professor in the finance department at the Kellogg School of Management. She received a B.A. from Carleton College and a Ph.D. in economics from the University of Chicago.

Brian Melzer is an assistant professor in the Finance Department at Northwestern University's Kellogg School of Management. His research interests include household finance, financial institutions and financial regulation. His recent work examines the investment choices of heavily indebted homeowners and the effects of unemployment insurance on consumer credit markets. He has also studied the effects of payday loans, which are small, short-term consumer loans. Professor Melzer received his PhD in economics from the University of Chicago Graduate School of Business in 2008. Prior to graduate study, he worked as a research analyst in the investment management business.

9:30-10:45 AM **Session 2: Low Income Financial Behavior**

Discussant: **Jeanne Hogarth**, Center for Financial Services Innovation

"Poor and Impatient: Helplessness Driven Poverty"

Ayelet Gneezy – University of California, San Diego (Marketing)
Alex Imas – University of California, San Diego (Economics)

Abstract: The extent to which individuals discount the future and evaluate risk has significant implications for welfare and decision-making (Lynch and Zauberman 2006; Haisley, Mostafa and Loewenstein 2008). Poor individuals often display aberrant preferences, including increased myopia and overvaluation of high risk prospects such as lottery tickets and criminal actions (e.g., theft). Some theories of poverty suggest the constrained opportunities associated with being poor induce a sense of helplessness, leading to behaviors that pose yet another challenge for those trying to climb out of poverty. Building on insights from marketing, psychology and behavioral economics, this paper presents the first causal evidence for the role of helplessness in greater discounting of the future and increased preference for high-risk high reward opportunities. We show this pattern is driven by an increase in individuals' tendency to uniquely place greater weight on low probability events.

"Forms, Meanings, and Consequences of Loan Aversion: Evidence from a Mixed-Method Study of Undergraduates from Low-Income Families"

Sara Goldrick-Rab – University of Wisconsin-Madison (Sociology)
Kaja Rebane – University of Wisconsin-Madison (Economics)
Robert Kelchen – University of Wisconsin-Madison (Policy Studies)

Abstract: The provision of student loans is the main mechanism through which the federal government attempts to make college affordable. Yet evidence suggests that perhaps as many as 45% of the neediest undergraduates do not take-up loans, even though this leaves them far short of the resources required to cover their costs of attendance. Very little empirical evidence exists on the precise forms that loan aversion takes, what it conveys about the attitudes and behaviors of students, and the associated consequences. In this study we examine loan aversion using sociological and economic perspectives, and draw on data from the Wisconsin Scholars Longitudinal Study (WSLS). The WSLS focuses on a sample of 3,000 Pell Grant recipients attending public institutions across the state and tracks borrowing over four years. The dataset includes unusually detailed administrative records on offered and accepted loans linked to student surveys and in-depth interviews (for a subsample of 50 students). We begin by delineating several patterns of loan aversion in the sample and examining the demographic characteristics of students engaged in each pattern. We then conduct a mixed-methods analysis that provides insights into what it means to students to accept or decline loans for college. We trace the relationship between patterns of loan aversion, work hours, and rates of college retention across time to consider the loan aversion and its consequences as a dynamic process. Finally, we conclude with a discussion of directions for future research and implications for both theory and practice.

Biographies:

Jeanne Hogarth works to strengthen the Center for Financial Services Innovation's (CFSI) research program and engagement efforts with government and other key stakeholders as Vice President of Policy. Prior to joining CFSI, Jeanne worked as an economist in the Consumer and Community Affairs at the Federal Reserve Board. There, she led research projects on consumer financial decision-making, financial services access and inclusion, and household economic stability. She also was 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 been a keynote speaker national and international conferences on financial education and family financial stability. She is the author of numerous research articles as well as consumer education resources and served as a guest editor for the Journal of Consumer Affairs special issue on Financial Literacy, Public Policy, and Consumer Self-Protection. 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.

Aylet Gneezy received her Ph.D. in Marketing from the Booth School of Business at the University of Chicago, immediately after which she joined the Rady School of Management at UCSD. Prior to obtaining her Ph.D., Professor Gneezy earned an MBA in the Netherlands, and then returned to Israel to manage the strategic planning department in DataPro Proximity (a subsidiary of BBDO Worldwide). Professor Gneezy's research has been published in a number of leading academic journals, including Science, PNAS, the Journal of Marketing Research, and the Journal of Consumer Research, and has been covered in media outlets such as The Wall Street Journal, the New York Times, Scientific American, and the Atlantic. Her research addresses a wide variety of questions pertaining to consumer behavior such as behavioral pricing, prosocial behavior (with a focus on green/sustainable behavior), social preferences (e.g., promise accounting, negative reciprocity, fairness), and factors affecting individuals' quality of life (e.g. nutrition & exercise, poverty). In her research, professor Gneezy collaborates with small (a Temecula base winery) and large (e.g. Disney) firms, to use field experiments to test her predictions in "the wild". Recently, professor Gneezy started collaborating with organizations and researchers interested in questions that address the many challenges facing our society such as poverty, hunger, and health. She teaches Marketing Communications, Social Entrepreneurship and Consumer Behavior to MBA students.

Sara Goldrick-Rab is associate professor of educational policy studies and sociology at UW-Madison. She is also the Senior Scholar at the Wisconsin Center for the Advancement of Postsecondary Education, and an affiliate of the Institute for Research on Poverty, Center for Financial Security, LaFollette School of Public Affairs, and Wisconsin Center for Educational Research. She is also the Project Director for the What Works Clearinghouse's expansion into postsecondary education. As a scholar-activist and sociologist with a deep commitment to bringing research into policy and practice, Dr. Goldrick-Rab's research explores policies aimed at reducing socioeconomic and racial inequalities. She was named a 2010 William T. Grant Scholar for her project "Rethinking College Choice in America." She was also a 2006 National Academy of Education/Spencer Foundation postdoctoral fellow. She is the co-author of Putting Poor People to Work: How the Work-First Idea Eroded College Access the Poor (Russell Sage, 2006), which was a finalist for the C. Wright Mills award. Her research has been published in journals such as Sociology of Education and Educational Evaluation and Policy Analysis and been financially supported by the Bill and Melinda Gates Foundation, Spencer Foundation, American Educational Research Association, William T. Grant Foundation, and many others.

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

11:00-12:15 PM **Session 3: Consumer Deleveraging**

Discussant: **Amy Crews Cutts**, Equifax

"Are Declines in Consumer Debt Due to Credit Supply or Credit Demand?"
Elizabeth Laderman – Federal Reserve Bank of San Francisco (Economics)
Reint Gropp – Goethe University Frankfurt (Finance)
John Krainer – Federal Reserve Bank of San Francisco (Economics)

Abstract: We explore the sources of household balance sheet adjustment following the collapse of the housing market in 2006. We find that declines in debt between 2008 and 2011 are more consistent with a decline in the provision of credit than a shift in the demand for debt. Borrowers who had no mortgage in 2008 (renters) and had low credit scores reduced their levels of nonmortgage debt and credit card debt more in counties where house prices fell more. But, for homeowners, the effect of being in such a county on these debt categories actually was positive. The contrast suggests that cutbacks in aggregate borrowing were due more to declines in the provision of credit than to a demand-based response to lower housing wealth.

"At the Corner of Main and Wall Street: Family Pension Responses to Liquidity Change and Perceived Returns"
Frank Stafford – University of Michigan (Economics)
Thomas Bridges – University of Michigan (Economics)

Abstract The U. S. economy experienced a shift away from employment with coverage under a defined benefit (DB) pension plan during 1991-2009. Defined contribution (DC) plan coverage seems not to have risen much, if at all, for married men in the recent decade. Overall, the percent of the labor force covered by any pension type fell over the period 2001-2009, with most of the shift occurring in 2001-

2003, as indicated by data from the Panel Study of Income Dynamics (PSID). We seek to determine the factors that lead families to lose or gain DC coverage and to put money into their private pensions or to draw money out of private pensions and annuities prior to age 65. The importance of such discretionary participation and savings responses is accentuated by both the presence of DC pensions, and, presumably, learning that such pensions can be used to stabilize finances prior to retirement. Moreover, conversion of pension assets into liquid assets either outside or within the pension can weaken the longer term pension base. Besides the impact of the overall economic climate, individual, family level events and cash flow changes are expected to play a role in the decision to add to or withdraw from a DC pension plan. Preliminary studies suggest that the savings response by households to recent economic uncertainties during 2009-2011, was greater overall savings and an increase in liquid asset holding, a result consistent with classic predictions of a response to economic turmoil. Overall, pension fund inflows were not a part of the increase in private saving in the Great Recession.

Biographies:
Amy Crews Cutts joined Equifax as Chief Economist in March, 2011. A recognized industry expert, Cutts brings to her new role over 19 years of economic analysis and policy development experience. She is responsible for analytics and research relating to the consumer wallet – assets, income, credit, and spending along with macroeconomic factors affecting the consumer. She is also responsible for macroeconomic forecasting and commentary and the economic analysis of small business credit. Prior to joining Equifax, Cutts served for eight years as the as the Deputy Chief Economist at Freddie Mac, where she was responsible for mortgage market analysis and research, macroeconomic analysis and forecasting, and was involved in the analysis of affordable lending activities, fair-housing policy, foreclosure prevention, credit scoring, and other policy issues affecting housing and mortgage markets. She has also published numerous studies in academic journals and books on such topics as the economics of subprime lending, the impact of technology on foreclosure prevention, and the market for multifamily mortgages. Prior to joining Freddie Mac in 1997, Cutts was Assistant Professor of Economics and Senior Researcher in the Maxwell School for Citizenship and Public Affairs at Syracuse University. She has also taught in the McDonough School of Business at Georgetown University, the Institute for Policy Studies at the Johns Hopkins University, and the University of Virginia. Cutts holds a Master's and PhD in Economics from the University of Virginia and a Bachelor's degree in Applied Mathematics from Trinity University in San Antonio, TX.

Elizabeth Laderman is an economist in the Financial Research section of the Economic Research Department at the Federal Reserve Bank of San Francisco. She has a B.A. in mathematics from Grinnell College and a Ph.D. in economics from the University of California at Berkeley. Her research interests include household and small business finance, financial market issues related to disadvantaged and low-income communities, and bank market structure. She has written numerous research articles on banking and financial issues for Federal Reserve publications and academic journals.

Frank Stafford is Research Professor, Survey Research Center, Institute for Social Research, the University of Michigan, and Professor of Economics at the University of Michigan. He has been Project Director and Principal Investigator of the Panel Study of Income Dynamics 1995-2009 and continues as a Co-Investigator. He is an elected fellow of the Society of Labor Economists and serves on the Technical Advisory Committee of the U.S. Bureau of Labor Statistics.

12:30-1:45 PM **Lunch Break** – Bacaro Restaurant, 921 Pearl Street
(Conference registrants only, please)

2:00- 3:15 PM **Session 4: Life Course Change and Financial Decisions**

Discussant: **Fenaba Addo**, University of Wisconsin and Robert Wood Johnson Foundation

"Student Loan Indebtedness and the Transition to Adulthood"

Rachel Dwyer – Ohio State University (Sociology)
Randy Hodson – Ohio State University (Sociology)

Abstract: Debt-holding has become common during the transition to adulthood, and access to credit can be especially important for attaining a college degree. Today after the worst recession in decades, public debate rages over student indebtedness and many worry about long-term prospects for youth who enter adulthood carrying significant debt. Studies often consider only relatively short-term effects of debt on college outcomes, but there is growing concern among scholars for longer-term effects as well. We contribute to this emerging consensus by developing a longitudinal model of college loan indebtedness and studying what happens after students leave college. We follow a life course approach theoretically and methodologically by modeling events sequentially as youth transition through adult milestones. We argue that the effects of student debt should be understood in a broad life context that entails diverse pathways through marriage, parenthood, and work, pathways that are significantly differentiated by class and gender. We use data on a cohort of young adults coming of age in the 2000s, when access to credit was especially high. Our analyses identify different trajectories during the early life course that shape debt behaviors and outcomes. We then focus on the role of student debt in the likelihood of marriage, a key juncture where indebtedness may limit opportunities. We find that debt hinders adult transitions like marriage primarily for groups that are already socio-economically disadvantaged. We reflect on how a life course view of debt-holding can inform research on consumer financial decision-making.

"Marital dynamics and portfolio choice: The link between intra-household frictions and gender differences in risk aversion in portfolio compositions"

Avni Shah – Duke University (Marketing)
Howard Kung – University of British Columbia (Finance)
Jawad Addoum – University of Miami (Finance)

Abstract: We examine the effect of intra-household bargaining on household portfolio choice. Theoretically, intra-household bargaining is an important determinant of observed household portfolio choice when members of a couple have differing risk aversions. Empirical tests and behavioral experiments support the theory. We find that shocks to the distribution of intra-household bargaining are associated with significant asset allocation shifts between risky and comparatively safer asset classes in households' portfolios. Both field and lab data show similar patterns: women are more risk averse than men, individually and in dyads and this is reflected in stock allocation differences and willingness to gamble. Furthermore, individuals' outside options will dictate the equilibrium transitions in and out of the dyad (i.e., marriage) and are associated with large shifts in portfolio choices. Economically, the effect of intra-household bargaining is large in magnitude and should be considered when analyzing household portfolio choice decisions and consumer financial decision-making.

Biographies:

Fenaba Addo is currently a RWJF Health and Society Scholar at the University of

Wisconsin- Madison, where she is also an affiliate of the Center for Demography and Ecology and Center for Financial Security. She received her Ph.D. from the Department of Policy Analysis and Management at Cornell University with a specialization in family and social welfare policy and minors in demography and health policy. She holds a B.S. in Economics from Duke University. In Fall 2014 Dr. Addo will join the Department of Consumer Science at UW-Madison as an Assistant Professor. Dr. Addo's research and teaching interests are in family and household finance and racial health and wealth disparities. Her work examines how economic resources and financial decision-making influence both intra- and inter-household family dynamics, such as cohabitation, marriage, relationship quality, health, and health behaviors. To date, much of her research has focused on racial and ethnic minorities and low-income populations. She has examined the role of credit card and education loan debt on first coresidential relationship choice in young adulthood, tested the impact of union history and maritaltransitions on the black-white wealth gap among older women, and explored the health effects of time versus monetary transfers from adult children to aging parents. Dr. Addo continues to conduct research in all these areas, and is also currently working on a project that considers the health, economic, and social consequences of bankruptcy on racial and ethnic minorities and their families. Her research has appeared in *American Sociological Review*, *Family Relations, Journal of Marriage and Family*, *The Review of Black Political Economy*, and *Social Science Research.*

Rachel Dwyer is Associate Professor of Sociology at Ohio State University. She studies the causes and consequences of economic inequality in the United States. She began her career studying inequality in jobs and wages, but inequalities have a habit of being intertwined and this work led her to study housing disparities, neighborhood disadvantage, and wealth and debt inequalities as well. Her current research focuses on rising indebtedness among young adults, a trend that is linked to slow income growth among middle class families who may struggle to find the resources to help their children transition to adulthood. She has studied the relationship between student indebtedness and college completion, the effects of debt-holding on mental health, and the role of debt in the transition to adulthood, including marriage, parenthood, and occupational attainment. Her recent articles on these issues have appeared in *Social Forces, Social Problems, Gender & Society,* and *Social Science Research*.

Avni Shah is a third-year doctoral candidate in Marketing at Duke University. She graduated from Dartmouth College where she was a double major in psychological and brain sciences and religion. Her current research examines the role of how psychological tangibility affects consumer decision-making and goal dynamics, particularly in financial and health contexts. For instance, she has explored how consumer buying is affected by variety, finding a parametric effect of variety on propensity to purchase. These results were published in *Psychological Science*. More recently, Avni has examined how the tangibility of costs, specifically in the form of payment mechanism and decision accountability, can impact consumer decision-making in the face of variety and risky choice contexts. She also has investigated how the tangibility of risk aversion can affect asset allocation in household decision-making. In particular, she explored how gender, marital status, and the presence or absence of children affects portfolio composition in a given household. With respect to health domains, Avni has examined how contextual cues such as prices and labels, in the form of surcharges and subsidies for example, can impact choice and consumption behavior. Avni anticipates graduating in the spring of 2015.

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

3:30- 4:45 PM **Session 5: Couple Financial Decision Making**

Discussant: **Deborah Small**, University of Pennsylvania

"Household Formation, Credit, and Trustworthiness"
Jane Dokko – Board of Governors of the Federal Reserve (Economics)
Geng Li – Board of Governors of the Federal Reserve (Research and Statistics)

Abstract: This paper provides new evidence on the role of credit scores in the formation and dissolution of households. First, we document substantial positive assortative mating along creditworthiness, which suggests that the market for partners, on average, preserves individual-level differences in access to credit. Second, we find that credit score match quality, which we measure as the absolute difference in partners' credit scores at the time of household formation, and the within-couple average credit score are strongly predictive of household dissolution. Finally, we find that within-couple credit score differentials are smaller and converge after household formation among couples that stay together but are larger and remain divergent for households that dissolve. One mechanism for this result is that couples with better match quality are more likely to engage in similar financial behaviors both prior to and after household formation.

"How Does Social Security Claiming Respond to Incentives? Considering Husbands' and Wives' Benefits Separately"
Alice Henriques – Board of Governors of the Federal Reserve (Economics)

Abstract: A majority of women receive most of their Social Security benefits based upon their husbands' earnings history, but previous research has shown that husbands' benefit claiming is inconsistent with maximizing lifetime benefits for the couple. However, that research assumes husbands choose their claiming age based on all Social Security incentives facing the household. I show that husbands' claiming behavior responds to the actuarial incentives built into their own retired worker benefit formula, but not to the incentives built into the spouse and survivor formulas that determine their wives' benefits. This failure to incorporate his spouses' incentives reduces wives' lifetime benefits. Variation in incentives comes from rule changes to the Social Security benefit calculation in addition to the age difference between spouses and the relative strength of the wife's labor force history. A variety of robustness checks looking at segments of the population predicted to be more responsive to incentives provide similar results to the main specification.

Biographies:
Deborah Small is an Associate Professor of Marketing and Psychology at the Wharton School of the University of Pennsylvania with a secondary appointment in the Psychology Department. She has been on the faculty for 9 years. Her research and teaching interface psychology and economics, examining fundamental processes that underlie human judgment and decision making. She studies decision making in many contexts, including charitable giving, terrorism, negotiation, buyer and seller behavior, and couples' financial decision making. Recent papers have focused on microfinance decision making, on tightwads and spendthrifts in marriage, and on signals of self-interest in prosocial behavior. Professor Small's research has been published in leading academic journals across Psychology, Marketing and Organizational Behavior. Her research has been described in the Harvard Business Review, the New York Times, Boston Globe, Financial Times, NPR, Wall Street Journal and many other news sources. She currently serves as an associate editor of the *Journal of Marketing Research*

and also serves on several other editorial boards. She received her PhD in Psychology and Behavioral Decision Research from Carnegie Mellon University and her BS from the University of Pennsylvania.

Jane Dokko is an economist at the Federal Reserve Board of Governors, where her policy responsibilities center on analyzing housing finance, house prices, and housing market activity. Her primary fields of research are household finance and public finance. Topics she is currently studying include the determinants of mortgage default, credit scores and households' access to credit, and the geography of the housing boom and bust. She earned a B.A. in economics from Haverford College and a Ph.D. in economics from the University of Michigan.

Alice Henriques is an economist in the Research and Statistics division at the Federal Reserve Board of Governors. Alice's research focuses on household financial decision making, with current research projects evaluating the reliability of owners' house valuations during the housing boom and bust and understanding the rise in student loans among young families. Other areas of interest include the financial well-being of elderly households. Alice received her Ph.D. in economics from the Columbia University and her B.A., also in economics, from University of California at Berkeley.

5:30-7:15 PM	**Reception** – Bacaro Restaurant, 921 Pearl Street, 2nd Floor Deck (Partners and spouses welcome)

Tuesday, May 21st

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

Breakfast with Alison Borland - Race, Ethnicity, and Retirement Readiness
Xanadu Ballroom
(Open to all conference attendees)

8:00-8:45 AM **Opening Keynotes**

Three Under-Researched Issues in Consumer Financial Decision Making
"Race, Ethnicity, and Retirement Preparedness" – **John Rogers**, Ariel Investments
"Investing in One's Education" – **Richard Fry**, Pew Charitable Trusts
"Happiness as a Dependent Variable" – **Chris Hsee**, University of Chicago

Biographies:
Alison Borland leads the retirement solutions and strategies team for Aon Hewitt. She uses her knowledge of the marketplace to develop unique solutions to support our clients in their efforts to help their employees achieve retirement success. As a part of her role, Alison oversees Aon Hewitt's Retirement Research Team, leveraging Aon Hewitt's data on millions of retirement plan participants and hundreds of plan sponsors. She has co-authored some of Aon Hewitt's most respected surveys and studies. In 2008, she was recognized as one of the 25 Women to Watch by Business Insurance. Prior to this role, Alison was the leader of our Defined Contribution Consulting practice and a consulting actuary. She continues to work with many of our large clients. Alison serves as a spokesperson for Aon Hewitt with the government, with clients, and with the media. She has testified in front of the HELP Subcommittee of the Education and Labor Committee in the House of Representatives, the HELP Committee in the Senate, the Department of Labor and its ERISA Advisory Council, and has testified to the Special Senate Committee on Aging. She is regularly quoted by publications including The Wall Street Journal, Business Insurance, Pensions & Investments, USA Today, and Workforce Management, and has been published in Benefits Quarterly. She has presented at a variety of industry conferences, including Pensions & Investments, Profit Sharing Council of America, and Institutional Investor. Alison is a Fellow of the Society of Actuaries. She graduated summa cum laude from Vanderbilt University.

John Rogers, Jr. is Founder, Chairman and Chief Investment Officer of Ariel Investments. Headquartered in Chicago, the firm offers six no-load mutual funds for individual investors and defined contribution plans as well as separately managed accounts for institutions and high net worth individuals. After working as a stockbroker at William Blair & Company, LLC, John founded Ariel Investments in 1983 to focus on undervalued small and medium-sized companies. John's passion for investing started when he was 12 years old when his father bought him stocks, instead of toys, for every birthday and Christmas. His interest grew while majoring in Economics at Princeton University. In addition to following stocks as a college student, John also played basketball under Hall of Fame coach Pete Carril. He was captain of Princeton's Varsity Basketball Team his senior year. There, Carril's courtside lessons on teamwork profoundly shaped his views of entrepreneurship and investing. Early in his career, John's investment expertise brought him to the forefront of media attention, including being selected as Co-Mutual Fund Manager of the Year by Sylvia Porter's Personal Finance magazine as well as an All-Star Mutual Fund Manager by USA TODAY. Today, he is regularly featured and quoted in a wide variety of broadcast and print publications and is a contributing columnist to Forbes. Beyond Ariel, John currently serves a trustee of the University of Chicago, where he also chairs the board of the University of Chicago Laboratory School and a director of the Robert F. Kennedy Center for Justice and Human Rights. In 2008, John was awarded Princeton University's highest honor, the Woodrow Wilson Award, presented each year to the alumni whose career embodies a commitment to national service. Following the election of President Barack Obama, he served as co-chair for the Presidential Inaugural Committee 2009.

Richard Fry is a senior economist at the Pew Research Center. He is an expert on school and college enrollment in the United States, as well as the returns to education in the labor market, marriage market and its connection to household economic well-being such as net worth. Fry's analyses are largely empirical, as he has extensive expertise analyzing U.S. Census Bureau and other federal data collections. Before joining the Pew Research Center in 2002, he was a senior economist at the Educational Testing Service (ETS). Fry received his Ph.D. in economics from The University of Michigan. Fry regularly documents U.S. educational and enrollment milestones, analyses the role of student debt in financing college education, and examines the changing relationship between education and marriage and cohabitation. He has also contributed to the Pew Research Center's analyses of the economic well-being of the nation's young adults.

Christopher K. Hsee (PhD in psychology from Yale) is Theodore O. Yntema Professor of Behavioral Science and Marketing at the University of Chicago Booth School of Business. He conducts research in areas including happiness, marketing, psychology, behavioral economics, and cross-cultural issues. His research explores issues ranging from when people over-work and over-earn, when free competition hurts people, and why people dread idleness and seek actions, to what mistakes real estate developers make when they set prices, how Chinese and Americans differ in risk preferences and what strategies fundraisers can use to boost donations. He has collaborated with scholars from both the U.S. and abroad, including China, Singapore, England and Canada, and has published in a wide range of academic journals in psychology, marketing and management. Professor Hsee has taught managerial decision making, negotiation and consumer research and is a recipient of the McKinsey Prize for Excellence in Teaching from Chicago Booth.

9:00-10:15 AM **Session 6: Mortgages and Mortgage Refinance**

Discussant: **Gal Zauberman**, University of Pennsylvania

"A Field Experiment of Post-Purchase Monitoring on the Financial Outcomes of First-Time Homebuyers"

J. Michael Collins – University of Wisconsin (Consumer Science)
Stephanie Moulton – The Ohio State University (Consumer Science)
Caezilia Loibl – The Ohio State University (Consumer Science)
Anya Samak – University of Wisconsin (Consumer Science)

Abstract: The purchase of a home is the starting point of a series of consumer decisions that require managing current consumption while planning for future expenses and preparing for negative financial shocks. Mistakes can be costly; missed mortgage payments can place the consumer at risk of mortgage default. Through a randomized field experiment with first-time homebuyers, we test the

impact of monitoring on debt repayment. A treatment offer of free `telephone financial coaching' at quarterly intervals for one year after purchase significantly influenced financial behavior, including lowering mortgage default rates among borrowers with subprime credit histories (credit scores below 680). These results suggest that relatively low-cost procedures embedded into loan servicing may increase adherence to timely repayments, thereby reducing the probability of default.

"Psychological Barriers to Refinance Mortgages"

Stephan Meier – Columbia University (Economics)
Eric Johnson – Columbia University (Behavioral Economics)
Olivier Toubia – Columbia University (Marketing)

Abstract: Mortgage refinancing is a very important financial decision households *should* make whenever the cost (e.g. closing and reappraisal cost) is lower than the benefit (i.e. the lower interest rate and the resulting saving in monthly payments) taking the option value of waiting into account. When households are reluctant to refinance (which they often are) the savings are assumed not to cover the associated costs – in traditional models, those are monetary costs and benefits.
We study in this project whether behavioral factors can lead to reluctance in refinancing above and beyond monetary cost-benefit analysis. To do so, we will focus on a setting in which monetary costs are radically low or, in many instances, eliminated. We analyze administrative data of hundreds of thousands of refinancing offers combined with survey data for a large set of customers for a large mortgage lender. We can show that households leave substantial amounts of money on the table by not refinancing. The survey data allows us to establish significant relationships between some of the behavioral factors and uptake of the refinancing offer – indicating that the standard model of refinancing has to be extended with particular behavioral factors. The paper establishes that behavioral factors need to be included into traditional models of mortgage refinancing in order to explain why many households forego large savings. At the same time, the results will have implications for policy makers and financial institutions in how to increase mortgage refinancing.

Biographies:
Gal Zauberman is a Professor of Marketing and Psychology at The University of Pennsylvania's Wharton School. His academic background includes a B.A. in Psychology and Economics from The University of North Carolina, Chapel-Hill (1994), and a PhD in Marketing from Duke University (2000). Professor Gal Zauberman studies consumer judgment and decision making, time in and decisions, financial decision making, and memory for experiences and choice. He won numerous awards, including the Paul Green best paper award, and the 2007 Early Career Award for Distinguished Contributions to 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. For more information see http://marketing.wharton.upenn.edu/profile/228/.

J. Michael Collins is an Associate Professor at the University of Wisconsin, Madison, the faculty director of the Center for Financial Security, a specialist with Wisconsin Cooperative Extension, and an affiliate with the Institute for Research on Poverty and the La Follette School of Public Affairs. 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. Collins brings nearly a decade of applied experience to his research. He founded PolicyLab Consulting Group, a research consulting firm, and co-founded MortgageKeeper Referral Services, an online database for loan 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 at Harvard University, a PhD from Cornell University, and a BS from Miami University (OH).

Stephan Meier is the Regina Pitaro Associate Professor at Columbia Business School. He holds a PhD in Economics from the University of Zurich and was previously a senior economist at the Center for Behavioral Economics and Decision-Making at the Federal Reserve Bank of Boston. His research interest is in behavioral strategy. He investigates the impact of psychology and economics on human decision-making and its implications for public policy and firms' strategy. Current research topics include how non-selfish behavior affect organizations or the effect of borrower's decision-making on financial institutions' strategy. His work has been published in the leading academic journals including the American Economic Review, Management Science, Psychological Science, and has been profiled by the press such as The Economist, Wall Street Journal, Financial Times, New York Times, Los Angeles Times, and Neue Zuercher Zeitung.

10:15-10:30 AM **Beverage Break**
Xanadu Ballroom Lobby

10:30-11:45 AM **Session 7: Hard-Wired Financial Behavior**

Discussant: **Nina Mazar**, University of Toronto

"Neural Measures of Regret and Stock Repurchase Behavior"
Cary Frydman – USC Marshall School of Business (Finance)
Colin Camerer – California Institute of Technology (NeuroEconomics)
Antonio Rangel – California Institute of Technology (NeuroEconomics)

Abstract: Economists have recently documented that individual investors are more likely to repurchase stocks that have gone down in price since a previous sale, compared to stocks that have gone up in price since a previous sale. This behavior is hard to reconcile with a standard rational model of trading behavior. In this paper, we provide behavioral and neural evidence that is consistent with the idea that counterfactual thinking is driving the repurchase effect. We design an experimental stock market and have subjects trade while we collect neural data using fMRI. We find that subjects do exhibit a repurchase effect, despite the fact that it is costly in our experiment. At the neural level, we find that the ventral Striatum (vSt) encodes a prediction error at the time when subjects receive news about stocks they previous sold. Critically, the sign of this prediction error is dependent upon ownership of the stock, which is consistent with the vSt encoding a counterfactual or regret signal. Moreover, we document that the strength of the prediction error signal correlates with the size of the repurchase effect across subjects. Together, our results show how neural data can be useful in directly testing a regret theory of investor behavior.

"Prenatal Exposure to Testosterone Increases Financial Risk Taking and Reduces the Gender Gap"
Alessandro Previtero – University of Western Ontario (Finance)
Henrik Cronqvist – Claremont McKenna College (Finance)
Stephan Siegel – University of Washington (Finance)
Rod White – University of Western Ontario (Management)

Abstract: Compared to men, women take fewer financial risks. We test if prenatal testosterone exposure explains this gender gap. Analyzing data from dizygotic twins, we find that, consistent with the testosterone transfer hypothesis, women with male co-twins invest more in risky financial assets. Our findings indicate that the gender gap in financial risk taking reflects biological differences between men and women. Additional analyses suggest these results are better explained by prenatal exposure to testosterone rather than social influences. More broadly, our study shows that prenatal environmental conditions have persistent effects and influence financial decisions much later in life.

Biographies:
Cary Frydman is an Assistant Professor Finance and Business Economics at the Marshall School of Business at the University of Southern California. His research interests are in behavioral finance, neurofinance, and household finance. His work aims to better understand investor behavior and financial decision-making by combining empirical methods from neuroscience with theoretical concepts in finance and economics. His recent research has examined the cause of the disposition effect and the role that attention plays in buying and selling stocks. He holds a PhD in Economics from the California Institute of Technology and a BA from Northwestern University.

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 effects of prenatal testosterone on financial risk taking and the gender gap; ii) the value of financial advice; and iii) the link between stock portfolio returns and consumption. His work has been published in the *Journal of Economic Perspectives* and has 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.

Nina Mazar is an Assistant Professor of Marketing at the Rotman School of Management, University of Toronto. With her focus on behavioral economics, Nina investigates consumer behavior and how it deviates from standard economic assumptions. In addition, she studies moral decision-making and its implications for policy. Her research topics range from irrational attraction to free products, the paradoxes of green behavior to temptations to be dishonest. Nina was nominated for the 2009 SSHRC Aurora Prize for "Outstanding New Researcher," and she is the recipient of several teaching and research awards, including the Rotman Dean's Award for Excellence in Research. Most recently, Nina has been selected to be a member of the inaugural cohort of the Academic Leadership Program Fellows in Canada. Nina has published her work in leading academic journals like the Journal of Marketing Research, Psychological Sciences, Review of Economic Studies, and the Proceedings of the National Academy of Sciences. She is also a sought-after applied researcher, consultant, and public speaker. Speaking engagements on morality include the European Commission and the Canadian Revenue Agency.

12:00-1:15 PM **Lunch Break** – Bacaro Restaurant, 921 Pearl Street
(Conference registrants only, please)

1:30-2:45 PM **Session 8: Financial Advice**

Discussant: Irene Skricki, Consumer Financial Protection Bureau

"Biased Recommendations"

Rick Harbaugh – Indiana University (Economics)
Wonsuk Chung – Indiana University (Economics)

Abstract: We integrate recent results from the cheap talk literature into a simple model of an expert who recommends one of two actions to a decision maker who might instead take no action. We then test predictions that recommendations are "persuasive" in that they induce the decision maker to take one of the actions rather than no action, that decision makers "discount" a recommendation for the more incentivized action, that lack of "transparency" about expert incentives increases lying by both biased and unbiased experts, and that experts "pander" by recommending the action the decision maker already favors. Subject behavior is consistent with each of these predictions from the literature.

"Customers as Advisors: The Role of Social Media in Financial Markets"

Byoung-Hyoun Hwang – Purdue University (Finance)
Hailiang Chen – City University of Hong Kong (Information Systems)
Prabuddha De – Purdue University (Information Systems)
Yu Hu – Georgia Institute of Technology (Information Systems)

Abstract: Social media has become a popular venue for individuals to share the results of their own security analysis. We conduct textual analysis of articles published on the most popular social-media platform in the United States; we also consider the readers' perspective as inferred via commentaries written in response to these articles. We find that the views expressed in articles and commentaries each substantially contribute in predicting stock returns and earnings surprises, and that the predictability strengthens with the number of commentaries over which readers' views are measured. Together, these findings point to the usefulness of investor-turned-advisor opinions in financial markets.

Biographies:

Irene Skricki is the Senior Financial Education Program Analyst in the Office of Financial Education within the Consumer Financial Protection Bureau's Consumer Education and Engagement division. In this position, which she has held since August 2011, she focuses on promoting innovation in the financial education field. Previous to the CFPB, from 1996 to 2011, Irene was a Senior Associate at the Annie E. Casey Foundation, where she managed the financial stability portfolio, with a focus on innovation, consumer protection, financial access, and wealth building for low-income families. She has also held positions at the Ford Foundation and the Coalition on Human Needs. Irene has a Bachelor of Science degree from MIT and a Masters of Public Affairs degree from Princeton University's Woodrow Wilson School.

Rick Harbaugh is an Associate Professor of Business Economics and an Arthur M. Weimer Faculty Fellow at the Kelley School of Business at Indiana University. Most of his research analyzes how firms and individuals can credibly convey information—how a firm can prove that its products are high quality, how an advertisement can successfully persuade a consumer, how a stock analyst can credibly rate a stock, or how a manager can prove her ability. Together with his coauthors, Professor Harbaugh shows that costless, unverifiable "cheap talk" is a more powerful communication tool than one might think and that costly "signaling" and verifiable "persuasion" are less reliable communication tools than one might think.

Byoung-Hyoun Hwang joined Purdue University in 2009 after receiving his Ph.D. in Finance at Emory University, Atlanta. His research focuses on empirical asset pricing and behavioral finance. Byoung-Hyoun teaches an undergraduate course in investments and a PhD course in empirical asset pricing. Prior to his academic career, Byoung-Hyoun spent time working for Bain&Company in London, UK, and the Boston Consulting Group in Berlin, Germany.

2:45-4:00 PM **Session 9: Limits of Disclosures**

Discussant: Dustin Beckett, Consumer Financial Protection Bureau

"An Experiment on Mutual Fund Fees in Retirement Investing"

Tess Wilkinson-Ryan – University of Pennsylvania (Law)
Jill Fisch – University of Pennsylvania (Law)

Abstract: Regulatory and market developments increasingly require retail investors to navigate the financial markets themselves. Over the past thirty-five years, participant-directed 401(k) plans have largely replaced professionally managed pension plans. In the meantime, there is mounting evidence that retail investors make predictable, costly mistakes, including payment of excessive fund fees. Over time, mutual fund fees have dramatic effects on investor returns, but evidence suggests that most investors ignore or misunderstand the impact of fees. This paper presents the results of an experiment designed to investigate how individuals choose funds for a retirement portfolio. Subjects played a web-based investment game, allocating money among fictional funds. They saw simplified information about each fund and were paid based on the simulated 30-year performance of their portfolios. We recorded each subject's investment decisions and which informational links (fees, risk, holdings, etc.) they clicked. Some subjects were randomly assigned to receive a short instruction about the importance of fees. Subjects who received the instruction were more likely to look for and use information about fund fees. We conclude that when fee information is presented simply, educating investors about the importance of fees updates their investment beliefs, motivates more thorough research, and yields higher-value investment choices. We discuss the implications of our findings for the regulation of mutual funds and employee retirement savings plans under ERISA.

"As Easy as Pie: Return, Risk and Concentration Information in Retirement Portfolio Choice"

Susan Thorp – University of Technology Sydney (Finance)
Hazel Bateman – University of New South Wales (Pension Economics and Finance)
Isabella Dobrescu – University of New South Wales (Mathematics and Economics)
Ben Newell – University of New South Wales (Psychology)
Andreas Ortmann – University of New South Wales (Experimental Economics)

Abstract: We report the results of two laboratory experiments that study how university student and staff participants chose retirement savings investment options using 'user-friendly' information prescribed by regulators. We demonstrate that choices of more than 20% of participants cannot be predicted using any of the prescribed information items but that 30% of participants used all, or almost all, items, frequently in unexpected ways. A pie-chart showing asset allocation had the largest marginal impact on investment choices. Participants preferred options with more segmented pies (lower concentration) and with equally sized segments (lower deviation from a 1/n allocation). This choice behavior is consistent

with the application of a simple diversification heuristic. Participants cannot choose more than one investment but are guided by the extent to which a pre-mixed investment option appears evenly balanced across asset classes. This novel application of a 1/n strategy is distinct from existing findings of naïve diversification in 'mix-it-yourself' conditions where participants spread resources evenly across funds or categories. The results highlight that information contained in prescribed investment disclosures may not be used in the manner intended by the regulator. The results also pose interesting methodological questions about the way 'user-friendly' information prescribed by regulators is validated before being legislated.

Biographies:
Dustin Beckett is an economist with the Consumer Financial Protection Bureau in Washington, D.C. He recently completed his Ph.D. in economics at Caltech, where he studied experimental economics. Dustin has been working as a part of the Consumer Financial Protection Bureau's Office of Research to apply experimental methods to their work in both research and regulation. He is currently studying the Bureau's forthcoming mortgage disclosure and developing capacity for the CFPB to carry out economics laboratory experiments.

Tess Wilkinson-Ryan is an assistant professor of law and psychology at the University of Pennsylvania Law School, where she teaches Contracts, Trusts & Estates, and a seminar on behavioral law and economics. She holds a J.D. ('05) and a Ph.D. in psychology ('08) from the University of Pennsylvania. Her research addresses the role of moral judgment in legal decision making, with a particular focus on private contracts and negotiations. She uses experimental methods from psychology and behavioral economics to ask how people draw on their moral intuitions to motivate or inform legal choices. Recent research topics include mortgage borrowing and default, retirement planning, contract precautions, and the moral psychology of boilerplate. Her research has recently been published in the Journal of Empirical Legal Studies, the University of Chicago Law Review, and the University of Pennsylvania Law Review.

Susan Thorp is Professor of Finance and Superannuation at the University of Technology, Sydney. The Chair is funded by the Sydney Financial Forum (through Colonial First State Global Asset Management), the NSW Government, the Association of Superannuation Funds of Australia (ASFA), the Industry Superannuation Network (ISN), and the Paul Woolley Centre for the Study of Capital Market Dysfunctionality. Susan's research focuses on long-horizon wealth management, especially consumer financial decision making. Her publications include studies of risk communication, retirement savings portfolio management, annuitisation and retirement income streams. She is a member of the Centre for the Study of Choice and the Quantitative Finance Research Centre at UTS, and the National Centre for Econometric Research, QUT. Professor Thorp gained her BEc (Hons) from the University of Sydney, and her PhD from the University of New South Wales.

4:00-4:15 PM **Beverage/Snack Break**
Xanadu Ballroom Lobby

4:15-5:30 PM **Session 10: Incentives and Government Policy**

Discussant: Anat Bracha, Federal Reserve-Boston

"It's Not About the Money: The Impact of Taxes on Productivity"
Scott Rick – University of Michigan (Marketing)
Gabriele Paolacci – Erasmus University (Marketing)

Katherine Burson – University of Michigan (Marketing)

Abstract: We investigate how income tax influences the decision to work. Income taxes involve both redistribution and government intervention, and thus the extent to which people find inequality aversive and endorse government intervention are likely to be influential. Dan Kahan and colleagues propose that "cultural philosophies" toward redistribution and intervention are separable, stable, and differ widely across individuals. Thus, individuals who support both redistribution and intervention ("Egalitarian-Communitarians") may actually find income tax motivating. We conducted a multi-round, incentive-compatible labor experiment in which we controlled for net wages. Participants were paid based on persistence and accuracy in a tedious task. All participants earned the same net wage, but some participants lost half their gross wage as a "tax" that was redistributed to other participants. Normatively, taxation that does not influence net wages should not influence productivity. Psychologically, however, taxes may be aversive unless people favor both redistribution and government intervention. Overall, taxed participants earned significantly less than non-taxed participants. This was driven by taxed participants' tendency to make more mistakes and to quit sooner. However, among Egalitarian-Communitarians, taxes increased persistence, accuracy, and earnings. The results suggest that populations that include a high proportion of Egalitarian-Communitarians may be less resistant to income tax. We compared state-by-state responses to the 2010-2012 ANES Evaluations of Government and Society Study with state income tax rates (a proxy for resistance to income tax), and found that state income taxes were highest in states whose residents were highest in both egalitarian and communitarian beliefs, and clearly lower elsewhere.

"A Randomized Trial of the Split Benefit Health Insurance Mechanism"
Christopher Robertson – University of Arizona (Law)

Abstract: The concept of a "split benefit" has been proposed as a reform in public and private health insurance plans to reduce consumption of high-cost, low-value treatments (Robertson 2013). Under a split benefit, for expensive treatments (costing say $100,000), the insurer would satisfy its coverage obligation by paying a portion (say $10,000) directly to the patient, who decides whether to spend it on the treatment, thereby invoking the balance payment ($90,000) from the insurer. If the $10,000 payment instead causes the patient to decline the treatment, the insurer saves the balance ($90,000). Because it is fungible (unlike current health insurance), the split benefit creates an opportunity cost for other spending that the patient values more highly. The split benefit is consistent with current insurance contracts and regulations, since it does not change coverage or reduce access, unlike traditional cost-sharing or rationing by insurers or physicians. The current paper reports an experimental test of the split benefit concept, using a vignette-based randomized trial. We sought to estimate whether the split benefit would reduce consumption of low-value treatments, and whether efficacy would depend on the amount of the split paid. (One concern is that if large splits are necessary, they may attract so many fraudulent claims as to outweigh any savings.) Further, we sought to assess whether efficacy depended on how the split was paid to the patient: paid in advance of the healthcare decision (thus forming an endowment), offered as a subsequent rebate conditional on not consuming (which may be more feasible, but may prime fairness or bribery concerns), or paid into an account limited to other health expenses (which may be more politically palatable, but perhaps less efficacious in reducing consumption).

Biographies:

Anat Bracha is an economist in the research department of the Federal Reserve Bank of Boston. In her research she incorporates psychological motives such as optimism bias and dual processes into standard economic models of risk as well as experimentally investigates psychological motives such as image motivation, status, and relative thinking in prosocial behavior and labor supply. In her work on risk, Anat suggests a new model to capture optimism bias and finds a novel relationship between ambiguity and risk. She also recently investigated the psychological perspective of panic, suggesting illusion of control as a critical idea in understanding panic and suggesting ways in which one can incorporate that into economic models. In her experimental work, Anat finds evidence for image motivation as a motive to give, finds evidence of the importance of relative pay on labor supply, and finds that under competitive incentives people work harder but not smarter. Her work has been published in the American Economic Review, the Journal of Public Economics, Games and Economic Behavior, and Management Science. 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.

Scott Rick is an Assistant Professor of Marketing at the University of Michigan's Ross School of Business. Rick received his PhD in Behavioral Decision Research from Carnegie Mellon in 2007, and he was a post-doctoral fellow for two years in Wharton's Operations and Information Management group. His research focuses on understanding the emotional causes and consequences of financial decision-making, with a particular interest in the behavior of tightwads and spendthrifts. The overarching goal of his work is to understand when and why consumers behave differently than they should behave (defined by an economically rational benchmark, a happiness-maximizing benchmark, or by how people think they should behave), and develop marketing or policy interventions to improve consumers' decision making and well-being. Rick has published in marketing, psychology, neuroscience, biology, and economics journals, including the Journal of Consumer Research, the Journal of Marketing Research, Experimental Economics, the Annual Review of Psychology, and Neuron. His research has also been featured on NPR, CNBC, The New York Times, The Wall Street Journal, The Financial Times, Time Magazine, The Economist, and The Washington Post. He writes for the Retail Therapy blog on Psychology Today.

Christopher Robertson is an associate professor at the James E. Rogers College of Law, University of Arizona, and an associate with the Safra Center for Ethics at Harvard. For 2013-2014, he is a visiting professor at Harvard Law School. Professor Robertson's research focuses on how the law can improve decisions. How does a patient decide whether to consume an expensive but unproven treatment? How does a juror decide whether to impose medical malpractice liability in a highly technical case, when the expert witnesses cannot agree? Robertson's innovative work has attracted national attention. He has published in the New England Journal of Medicine, New York Law Review, Cornell Law Review, Emory Law Journal, and the Journal of Empirical Legal Studies. He has received research support from the Robert Wood Johnson Foundation, and runs the Law and Behavior Research Lab at the University of Arizona, with support from the Honors College. Robertson graduated magna cum laude from Harvard Law School, where he also served as a fellow and lecturer. He earned a doctorate in Philosophy at Washington University in St. Louis, where he also taught bioethics. Robertson's legal practice has focused on complex litigation involving medical and scientific disputes.

Poster Presentations by Category
Sunday, May 19th, 5:45-7:15 PM
St. Julien, Outdoor Terrace (Weather permitting)

Asset Building and Financial Well Being

"Refund to Savings: Exploring the Intersection of Behavioral Economics and Asset Building at Tax Time and Beyond"
Michal Grinstein-Weiss - Washington University (Social Work)

"Why Wait to Build When You Can Borrow? Jump Starting Development of the Concept of Financial Well-Being"
Dee Warmath - University of Wisconsin (Consumer Science)

"Do Reverse Mortgage Borrowers Exercise In-the-Money Put Options?"
Jake Wetzel - University of British Columbia (Finance)

Borrowing and Bankruptcy

"Managing the Cost of Multiple Debt Accounts: A Behavioral Perspective"
Ali Beshart - University of South Florida (Marketing)

"Perceptions of Bankruptcy and Bankruptcy Filers: An Exploratory Analysis"
Alycia Chin - Carnegie Mellon University (Social & Decision Making Sciences)

"Spending Credit Like a Windfall Gain"
Cynthia Cryder - Washington University St. Louis (Marketing)

"Do Income Shocks Cause Personal Bankruptcy? Evidence from Exogenous Fiscal Payments"
Vyacheslav Mikhed - University of Alberta (Economics)

"Risk Based Student Loans"
Michael Simkovic - Seton Hall University School (Law)

"3, 4, or 5 percent - Do borrowers know the difference?"
Ulrich Seubert - University of Mannheim (Finance)

Choice Architecture and Disclosures

"The Effects of Regulating Penalty Fees for Consumer Financial Products"
Jeremy Ko - U.S. SEC (Risk, Strategy, and Financial Innovation)

"Dual Payoff Scenario Warnings on Credit Card Statements Elicit Suboptimal Payoff Decisions"
Hal Hershfield - New York University (Marketing)

"Deploying Decoys in Smart Choice Architecture: How an Inefficient Market Helps Consumers Make Higher-Quality Choices"
Uta Schier - London School of Economics and Political Science (Management)

“Translated Attributes as a Choice Architecture Tool”
Christoph Ungemach - Columbia University (Psychology)

Home Purchase and Mortgages

“Psychographic Field Study of Prime and Subprime Consumers”
Carsten Erner - University of California- Los Angeles (Finance)

“Indirect Reminders: How Irrelevant Information Can Affect Mortgage Repayment Behavior”
Sean Hundofte - Yale University (Management)

“On the Role of Subjective Valuation in Housing Investment”
In Gu Khang - Northwestern University (Finance)

Judgment and Decision Making

“Direct versus Implied Judgments of Economic Trends”
David Comerford - Duke University (Management)

“Investor Happiness”
Daniel Egan - Barclays Wealth (Behavioral Economics)

“Can Gift Cards Change What Consumers Purchase: A Cognitive Perspective”
Nicholas Reinholtz - Columbia University (Marketing)

“Determinants of Diminishing Marginal Utility”
Dan Schley - The Ohio State University (Psychology)

“Expense Neglect in Forecasting Personal "Spare" Money”
An Tran - University of Colorado Boulder (Marketing)

Risk

“Leverage Constraints, Profitability, and Risk-Shifting: Evidence from the Introduction of Dodd-Frank”
Rawley Heimer - Brandeis University (Finance)

“No Pain, All Gain: Examining the Influence of Pain of Payment on Loss Aversion and Propensity for Gambling”
Avni Shah - Duke University (Marketing)

“Portfolio Choice and Risk Attitudes: A Household Bargaining Approach”
Tansel Yilmazer - Ohio State University (Consumer Science)

Social Networks and Advice

"Working for a Bad Company is Bad for Your (Financial) Health: Survival Analysis of Default Rates in an Employee-Employer Network"
Coco Krumme - Massachusetts Institute of Technology (Behavioral Economics)

"Social Influence, Homeownership, and the Subprime Mortgage Crisis"
Carrie Pan - Santa Clara University (Finance)

"Judging the Quality of Online Financial Advice: The good, the Bad and the Adviser"
Hazel Bateman – University of New South Wales (Pension Economics and Finance)
Julie Agnew – College of William and Mary (Finance and Economics)

Biographies (alphabetically):
Julie Agnew earned a B.A. degree in Economics (High Honors) and a minor in Mathematics from the College of William and Mary. She graduated Magna Cum Laude and is a member of Phi Beta Kappa. She received a Ph.D. in Finance from Boston College in 2001. Prior to pursuing her doctorate, she worked as an analyst in investment banking for Salomon Brothers in New York City and as an equity research associate for Vector Securities International in Chicago. A former Fulbright Scholar to Singapore, she has co-authored a book examining strategic business opportunities in Indonesia, Singapore and Malaysia. Her current position at William and Mary is Associate Professor of Finance and Economics. She has taught at Boston College and has been awarded numerous teaching awards including Boston College's Donald J. White Teaching Excellence Award, the 2004 Faculty Excellence Award (voted on by the BBA Class of 2004), 2005 Alfred N. Page Undergraduate Teaching Award, the 2005-2006 Thomas and Teri Dungan BBA Teaching Fellow and the 2007 Master of Accounting Class Faculty Excellence Award. She is currently the faculty advisor to the Howard J. Busbee Finance Academy. Julie's research and consulting activities focus on how individuals invest in their 401(k) plans. She has presented her research at several national conferences and has published in the American Economic Review, the Journal of Behavioral Finance and the Journal of Financial and Quantitative Analysis. In addition, she has won several nationally competitive research grants. Currently, she is a research associate at Boston College's Center for Retirement Research.

Hazel Bateman is an Associate Professor in the School of Risk and Actuarial Studies, and Director of the Centre for Pensions and Superannuation at the University of New South Wales, Sydney, Australia. She has research interests in the areas of public and private provision for retirement. Hazel is the author of two books 'Forced Saving' and 'Retirement Income provision in Scary Markets' and over 70 papers on aspects of the economics and finance of retirement income provision. Her current research covers issues such as retirement benefit choices, investment risk presentation and communication, financial literacy and financial advice, retirement income adequacy and policy design, and the governance, regulation and performance of superannuation and 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 been a consultant on retirement income issues to a range of Australian and international organisations including the OECD, the World Bank, the Social Insurance Administration (China), APEC, CEDA and the CPA. Her most recent consulting involved the design of a pension system for migrant workers in China. Hazel is a member of the Australian Government's Superannuation Roundtable and the UniSuper Consultative Committee.

Ali Besharat is an assistant professor in the Marketing Department at Daniels College of Business, University of Denver. He holds a Ph.D. in marketing from the University of South Florida and has received numerous college-wide and university-wide fellowships, research and teaching awards. Prior to his academic career, he worked in the energy industry as a consultant and manager. He teaches courses in consumer behavior, marketing research, introduction to marketing, marketing management and IMC. Ali has two broad streams of research within the domain of consumer behavior: a) behavioral judgment and decision making and b) marketing communications and branding. Within the first stream of research, his current project entail how financial decision can be translated into sub-optimal choice preference, unhealthy consumption and over-spending. While current projects in his second stream of research include brand alliance, effectiveness of marketing communications and branding within digital environments, competitive advertising and brand phonetics. His work has been published in the Journal of Advertising and Industrial Marketing Management.

Alycia Chin is a doctoral candidate in Carnegie Mellon's Department of Social and Decision Sciences. Her research focuses on judgment and decision making, with a particular emphasis on how psychological factors influence consumer behavior. Her current work examines the psychology of debt and bankruptcy, as well as adults' expectations about their future health and financial behaviors. In a separate line of research (joint with George Loewenstein, Amanda Markey, and Eric VanEpps), she is investigating the causes and consequences of boredom. Prior to graduate school, she worked as a research assistant at the Federal Reserve Board of Governors in Washington, DC. She holds a B.A. in Economics and Politics from Scripps College and a M.S. in Behavioral Decision Theory from Carnegie Mellon University.

David Comerford is a lecturer at the Behavioural Science Centre at Stirling Management School. His research is motivated by the goal to improve decision making by correcting for biases in judgment. As well as this project on perception of change over time, he has ongoing research streams in forecasts of hedonic utility and in recall of expenditure. He was a 2010 Fulbright Scholar and an IRCHSS PhD fellow. He holds a PhD in Economics from University College Dublin and was a postdoctoral fellow at Duke University's Fuqua School of Business.

Cynthia Cryder is an Assistant Professor of Marketing in the Olin Business School at Washington University in St. Louis. She earned her PhD in Behavioral Decision Research and Psychology from Carnegie Mellon University in 2009. Her research focuses on two main questions. The first question is about charitable giving and asks: when do consumers respond to specific rather than general charitable requests and how can specific charitable requests contribute to the joy of giving? The second question is about financial decision making and asks: how do consumers trade off spending money, saving money, and paying down debt? Her work has been published in journals including The Journal of Consumer Research, The Journal of Marketing Research, Organizational Behavior and Human Decision Processes, and Psychological Science, and has been covered in media outlets such as The New York Times, BBC Radio, and NPR radio.

Daniel Egan is the Director of Behavioral Finance and Investing at Betterment. Dan is responsible for integrating behavioral and investment advice to ensure Betterment's clients achieve their goals using brilliant technology. Specific responsibilities include:

- Using knowledge from behavioral finance to develop and improve our advice, tools, and investment process
- Providing educational resources on investing and optimal behavior
- Collaborating with leading researchers in behavioral finance and economics to learn what works for our clients, and validating our unique
- Communicating Betterment's investments views and strategies.

- Managing Betterment's investment strategy, including quantitative asset allocation and individual client portfolio optimization.

For the six years prior to joining Betterment Dan was a Behavioral Finance Specialist at Barclays Wealth and Investment Management for the Americas. The team specialized in developing and implementing commercial applications of behavioral finance, decision making, and behavioral economics. Dan cemented his interest in how people make decisions through a BA (Distinction) in Economics from Boston University and a MSc in Decision Science from the London School of Economics. Between earning degrees he was a health economics researcher at the University of Pennsylvania. Since joining Betterment in January 2013, Dan has continued to integrate academic and commercial interests by running controlled experiments to prove behavioral interventions are useful. Highlights of current work include experimental research into how to prevent harmful market timing behavior, and how to increase savings behavior by making advice more affectively powerful. Dan is a regular presenter at academic and industry conferences, and a guest lecturer at NYU, LSE, LBS, and UCL, and UCLA.

Carsten Erner is a postdoctoral scholar at the UCLA Anderson School of Management and is affiliated with the Consumer Credit Research Institute, San Diego. He worked as a postdoctoral scholar with teaching duties and as a research and teaching assistant at the University of Münster, where he was also a member of the German Institute for Retirement Savings Research Group. He received his PhD in Finance from the University of Münster on the topics of behavioral financial engineering and corporate risk management. Prior, he studied Business Administration at the University of Münster and at UC Berkeley, specializing in finance, information systems, and accounting. His research is focused on the interplay between finance and behavioral decision making, in particular on consumer credit, investment products, and applications of prospect theory.

Michal Grinstein-Weiss is an associate professor at the Washington University in St. Louis and the associate director of the Center for Social Development at the George Warren Brown School of Social Work. She is also a Nonresident Senior Fellow at the Brookings Institution, a research associate for the Federal Reserve Bank of Cleveland and a fellow for the Center of Community Capital. Grinstein-Weiss is a leading expert and researcher in the asset-building field and is an influential voice in the design of innovative savings policies. She is currently the leading researcher of the largest savings experiment in the United States to date, Refund to Savings, a collaboration with leading behavioral economist Dan Ariely, Duke University and Intuit, Inc., makers of Turbo Tax. She is also the principal investigator of the first federal evaluation of the U.S. Department of Education's GEAR UP program in testing effective strategies of college savings accounts. In addition to her most recent research efforts, Grinstein-Weiss is also the principal investigator for a 10-year follow-up study of the American Dream Demonstration (ADD), the first large-scale test of Individual Development Accounts (IDAs). She also serves as consultant to the Israeli government on developing innovative universal savings policies and Child Development Accounts (CDAs).

Rawley Heimer is a PhD candidate in International Economics and Finance at Brandeis University. His research is primarily concerned with the behavior and performance of individual investors, drawing from a new, proprietary database extracted from a Facebook-like social network for retail traders. Much of his research suggests that social interaction can explain the over-trading puzzle whereby individual investors trade actively and under-perform the market. His most recent work explores how the availability of leverage affects investor performance and risk-taking behavior. His research has been presented at Yale University, Cass Business School, the U.S. Bureau of Labor Statistics, the 7th Annual Central Bank Workshop on the Microstructure of Financial Markets in Stavanger, Norway, and the American Financial Association Annual Meetings. Rawley is a graduate of the University of

Rochester who spent a few years post-college in Bozeman, Montana, doing economic research and enjoying the mountains. He is also an accomplished jazz/funk guitarist. He will be joining the Federal Reserve Bank of Cleveland as a Research Economist in the Fall of 2013.

Hal Hershfield joined New York University Stern School of Business as an Assistant Professor of Marketing in August 2011. Prior to NYU, Professor Hershfield was a Visiting Assistant Professor at the Kellogg School of Management at Northwestern University. Professor Hershfield's research focuses on judgment and decision-making and social psychology, with a particular interest in how thinking about time can strongly impact decision-making and emotional experience. His work has been published in Psychological Science, the Journal of Personality and Social Psychology, Organizational Behavior and Human Decision Processes, the Journal of Marketing Research, and Judgment and Decision Making. Professor Hershfield's research has been featured on ABC World News, The New York Times, The Financial Times, The Wall Street Journal, The Economist, NPR, and Forbes. Professor Hershfield received his B.A. in Psychology and English from Tufts University in 2001, and his Ph.D. in Psychology from Stanford University in 2009.

Sean Hundtofte is a Financial Economics PhD student at Yale, where he previously graduated with an MBA in 2005. His main fields of interest include Household Finance, Behavioral Economics and most topics related to financial crises or distress in general. In between degrees he worked in special situations and distressed investing with a focus on consumer finance opportunities, most recently as an analyst with oversight of the mortgage business at Värde Partners, an alternative investment manager. He now spends his time researching behavioral aspects of household financial decision making and answering research questions which he hopes are also relevant to regulatory policy.

In Gu Khang conducts research in household finance. In particular, his main research interests lie in the interplay between bubble-like phenomena (e.g., the housing bubble) and determinants of household-level portfolio allocation decisions. In two recent papers, he has applied this research agenda to discovering amplification channels of the recent housing bubble. In the first paper, entitled "On the role of subjective valuation in housing investment", he argues for the presence of expectations channel by presenting a barrage of evidence for households that appear to speculate in the housing market by forming an "out-sized" return expectations, formed primarily based on the recent past. In the second paper, entitled "Word of mouth and investments: Evidence from new neighbor assignments", he presents evidence for the social interactions channel by identifying a quasi-random setting in which word-of-mouth shocks are observable, and appear to induce speculative housing purchases during the housing bubble. In Gu is currently completing his PhD in Finance at the Kellogg School of Management, Northwestern University.

Jeremy Ko is a Senior Financial Economist at the Securities and Exchange Commission, where he has been since the summer of 2009. His work has focused primarily on the evaluation of new financial products such as ETF's and structured notes that are directed toward retail investors. His research specialization is in the areas of behavioral and household finance. Most recently, his work has focused on the obfuscation of pricing for retail financial products. He received his Ph.D. in financial economics from the Sloan School of Management at MIT in 2002. He was an assistant professor of finance at Penn State University until 2009 and a visiting professor of finance at the University of Texas at Austin in 2006-2007.

Coco Krumme is a postdoctoral fellow at MIT studying habits and decision-making using consumer data from tens of millions of credit card time series. She earned her PhD in 2013 from MIT, and holds an MS from MIT and a BS from Yale.

Vyacheslav (Slava) Mikhed will defend his PhD in the Department of Economics, at the University of Alberta, in July 2013. In the summer of 2013, he will join the Payment Cards Center of the Federal Reserve Bank of Philadelphia. Slava's research interests lie in the areas of household finance, personal bankruptcy, mortgage foreclosure, consumer credit, and real estate economics. His current research explores the impacts on personal bankruptcies of income shocks, income inequality, and ease of access to the bankruptcy system. He is also examining the effect of government policies promoting lending to low income borrowers on US mortgage foreclosures. Slava's 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.

Carrie Pan is an Assistant Professor of Finance at the Leavey School of Business at Santa Clara University. Her research interests are mainly in the areas of corporate finance, international corporate governance, and behavioral finance. Her research has been published in several finance and accounting journals, including The Review of Financial Studies, The Accounting Review, Journal of Investment Management, Journal of Investment Consulting, and Journal of Business Ethics. She and Meir Statman are the recipients of the Investment Management Consultants Association 2013 Edward D. Baker III Journal Award in recognition of their work titled “Questionnaires of Risk Tolerance, Regret, Overconfidence, and Other Investor Propensities.” She currently teaches financial management and international finance. She joined Santa Clara University in 2007 after receiving her Ph.D. in Finance from the Ohio State University. She received her MBA from Santa Clara University, and her B.S. in mechanical engineering from Zhejiang University in China.

Nicholas Reinholtz is a fourth-year doctoral student in marketing at Columbia University. His research interests center on issues in judgment and decision making, especially those involving dynamic components (such as sequential choice problems). His dissertation work focuses on consumer search and, in particular, how consumers form the decision to abandon search and choose (or not choose) an already examined option. Before attending Columbia, Nick completed a B.S. in mechanical engineering and B.A. in political science at Virginia Tech and participated in the MALS program at Reed College.

Uta Schier just graduated as M.Sc. in Decision Sciences from the London School of Economics and Political Science (UK). She received her B.Sc. in Economics from the University of Munich (Germany) and worked in strategy and management consulting for consumer goods companies, including five months for Deloitte in India. This fall, Uta intends to take up Ph.D. studies in Behavioural and Experimental Economics. Her research interests focus on consumer, financial and health decision making. She is particularly curious about choice, context effects and preference reversals, as well as its implication for policy making. For her master's dissertation at the London School of Economics, she explored asymmetric dominance (or decoy) effect in patients' choice of hospital under the supervision of Dr. Barbara Fasolo. Currently, Uta is applying her knowledge from decision sciences and statistics to the Septomics Research Centre in Jena (Germany), a biomedical company funded by the German Federal Ministry of Research and Education.

Dan Schley is a third year graduate student in the Department of Psychology at the Ohio State University. He graduated with a B.A. in economics from University of California- San Diego and an M.A. in Quantitative Psychology from OSU, and generally takes a multidisciplinary approach to research. His primary research concerns the psychology of judgments and choice. He is particularly interested in the integration of numerical cognition research (i.e., how the mind processes numbers) with theories of choice in psychology, marketing, and behavioral economics. For example, Dan researches the role of number processing as a primary determinant of diminishing marginal utility, with stark implications for conceptualizations of risk aversion and intertemporal choice. The primary goal of his research concerns the determinants of individuals' financial decisions. Having grown up as the son of an immigrant mother in a poorer neighborhood in Sacramento, CA, Dan is greatly concerned with mollifying the detrimental effects of insufficient financial literacy on decisions (e.g., predatory lending). In order to make proficient financial decisions, individuals require not only effective communication of the financial information, but the working knowledge of the numbers necessary to process the presented information.

Ulrich Seubert is a PhD Candidate in Finance at the University of Mannheim, Germany. He works as a research and teaching assistant at the Chair of Banking and Finance and he is a member of the University's Behavioral Finance Group. He has studied business administration in Mannheim and at the Western Carolina University in Cullowhee, NC. He graduated from the University of Mannheim in 2009. Since then he works with Professor Martin Weber at the Chair of Banking and Finance at the University of Mannheim. His research interests are in Behavioral Finance and Household Finance. He focuses on mortgage financing and decision theory.

Avni Shah is a third-year doctoral candidate in Marketing at Duke University. She graduated from Dartmouth College where she was a double major in psychological and brain sciences and religion. Her current research examines the role of how psychological tangibility affects consumer decision-making and goal dynamics, particularly in financial and health contexts. For instance, she has explored how consumer buying is affected by variety, finding a parametric effect of variety on propensity to purchase. These results were published in Psychological Science. More recently, Avni has examined how the tangibility of costs, specifically in the form of payment mechanism and decision accountability, can impact consumer decision-making in the face of variety and risky choice contexts. She also has investigated how the tangibility of risk aversion can affect asset allocation in household decision-making. In particular, she explored how gender, marital status, and the presence or absence of children affects portfolio composition in a given household. With respect to health domains, Avni has examined how contextual cues such as prices and labels, in the form of surcharges and subsidies for example, can impact choice and consumption behavior. Avni anticipates graduating in the spring of 2015.

Michael Simkovic's research focuses on the regulation of credit markets through the United States Bankruptcy Code, and the regulation of financial markets in general through mandatory disclosure requirements. His research was cited in the U.S. Congress' Joint Economic Committee report recommending sweeping reforms of the credit card industry, which were enacted in 2009. His research has also been cited by researchers at the Federal Reserve Bank of New York and in popular publications such as the New York Times and USA Today. Professor Simkovic is an expert on the credit card industry, causes of the financial crisis of 2008, credit default swaps, securitization, leveraged buyouts, fraudulent transfer law (and other avoidance actions), and open market stock repurchases. Before joining the Seton Hall faculty, Professor Simkovic was an attorney at Davis Polk & Wardwell in New York concentrating in bankruptcy litigation; a strategy consultant at McKinsey & Company, specializing in legal, regulatory and business issues affecting financial services companies; and an Olin Fellow in Law and Economics at Harvard Law School. At Davis Polk, Professor Simkovic defended leveraged buyout lenders in Lyondell Chemical. He also assisted in the settlement of multi-million dollar class-action suit related to mortgage-lending and helped a global investment bank monitor and analyze the business impact of SEC proposals. At McKinsey, Professor Simkovic analyzed the likely impact on mortgage originators and securitizers of new regulations proposed in response to the subprime mortgage crisis, analyzed demographic and financial trends to help develop retirement products, and helped global financial services firms reduce costs, forecast demand, and optimize capacity. At the

New York Attorney General's Office, Professor Simkovic investigated retail financial service companies engaged in illegal and deceptive sales practices.

An Tran is a doctoral candidate in Marketing at the Leeds School of Business at the University of Colorado at Boulder. She joined the PhD program in 2009. Her primary research interests include intertemporal choice, the psychology of time and money, planning, and financial decision making. In her free time, she enjoys traveling, running, watching movies, gardening and cooking.

Christoph Ungemach is currently a postdoctoral research scientist at Columbia University. He received his Ph.D. in Psychology from the University of Warwick (UK). His research interests span several related areas, including decision making, cognitive science, behavioral economics and consumer behavior. His work has explored a variety of topics, including choice under risk and uncertainty involving rare events, effects of incidental values in the decision environment and process tracing in decision making. His most recent line of research focuses on choice architecture related to environmental decisions, investigating how structural features of the decision context can trigger different choice processes and behavior. This work evaluates potential cognitive and motivational interventions and how they can be combined in order to overcome documented decision biases and guide informed consumer choices.

Dee Warmath is a Senior Research Scientist with the Center for Financial Security and a Lecturer in the Retailing and full-time MBA programs at the University of Wisconsin-Madison. Dee has 28 years of research and strategic consulting experience across a range of industries, with 17 years focused exclusively on the retail industry. Before joining NPD, she was Vice President of Consumer and Brand Insights at Kohl's Department Stores. Prior to Kohl's, she was Director of Customer Relationship Analysis and Marketing at JCPenney. She holds a Master's Degree in Sociology from Vanderbilt University. Her training and experiences have produced an integrated approach to research and a unique ability to translate customer research into simple, relevant, actionable insights for her clients She has expertise in qualitative, quantitative, and database methods, as well as statistical analysis and modeling. Her research interests are in new product adoption, financial well-being, and the role of materialism and hope in consumer confidence and consumption.

Jake Wetzel is a PhD candidate in Finance and Urban Land Economics at the Sauder School of Business at the University of British Columbia. Primary research interests include the residential and commercial mortgage markets with a focus on loan underwriting and CMBS. Prior to entering the PhD Program Jake competed in 3 Olympic Games winning a Gold and Silver Medal in Athens and Beijing. Jake holds a BA in economics and statistics from the University of California at Berkeley, a MSc. In Financial Economics from the Said School of Business at Oxford and a MSc in Urban Land Economics From University of British Columbia.

Tansel Yilmazer is an assistant professor in the Department of Human Sciences at Ohio State University. Her research focuses on issues related to household economics, family and small business finances, and financial services and institutions. She has been selected as the Family and Consumer Sciences Research Journal Emerging Scholar for 2012. She also received the American Council on Consumer Interests (ACCI) Mid-Career Award in 2010 for her record of research, teaching and service. Her research received best paper awards from the AARP, ACCI, Certified Financial Planner (CFP) Board, and the Academy of Financial Services. Dr. Yilmazer publishes in family and consumer economics journals as well as general-interest economics and finance journals. Her recent publications appeared in the Journal of Consumer Affairs, Health Economics, Research on Aging, Financial Management and National Tax Journal. She is the associate editor of Family and Consumer Sciences

Research Journal. Her research has been funded by World Bank, Scientific and Technological Research Council of Turkey, Center for Retirement Research at Boston College, and Social Security Administration. She received her Ph.D. in economics from the University of Texas at Austin. Prior to coming to OSU, she taught at Purdue University and at the University of Missouri.

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 *Journal 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. Four of his papers have been honored as outstanding article of the year; he has twice 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*.

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Text beneath picture:

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.

Contact:
John Lynch
Director, Center for Research on Consumer Financial Decision Making
Phone: 303-492-8413
Email: john.g.lynch@colorado.edu
Web: http://leeds.colorado.edu/consumerdecisions#overview

Lower logo Leeds (next to Leeds address):

Leeds School of Business
419 UCB
Boulder, CO 80309-0419
303-492-7124 http://leeds.colorado.edu