TIAA Institute Fellows Symposium

Behavioral Finance and Saving: Determinants of Retirement Readiness

A research forum co-hosted with the Pension Research Council

Program Agenda and Speaker Bios

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June 18, 2018
TIAA Institute Fellows Symposium

By Invitation Only

Presenters appear in bold

Behavioral Finance and Saving: Determinants of Retirement Readiness
The Kimpton George Hotel
LEADERS Conference Room
15 E Street, NW
Washington, D.C. 20001

8:30 a.m. to 9 a.m.
Continental Breakfast and Networking

9 a.m. to 9:10 a.m.
Opening Remarks and Introduction
David P. Richardson, Managing Director of Research, TIAA Institute

9:10 a.m. to 9:20 a.m.
Introduction of morning Keynote Address
Larry Chadwick, Senior Managing Director, Head of Government Relations, TIAA

9:20 a.m. to 9:40 a.m.
Bridging the Gap: Building Bipartisan Solutions for Retirement Security
Speaker: Shai Akabas, Director of Economic Policy, Bipartisan Policy Center

9:40 a.m. to 9:55 a.m.
Q&A

9:55 a.m. to 10:05 a.m.
Break

10:05 a.m. to 11:30 a.m.
Morning Session: The Mind’s Ability to Navigate Retirement Planning
Moderator: Paul J. Yakoboski, Senior Economist, TIAA Institute

Research Presentations:

10:10 a.m. to 10:30 a.m.
Interactions between Episodic Memory and Intertemporal Choices in Older Adults
Joseph W. Kable, University of Pennsylvania
Karolina Lempert, University of Pennsylvania
David Wolk, University of Pennsylvania
Relying on a unique resource at the Penn Memory Center, a large cohort of older adults that are well-characterized both cognitively and neurologically, we examine the relationship between episodic memory abilities and financial decision-making in older adults.
10:30 a.m. to 10:50 a.m.  
*Household Portfolio Underdiversification and Probability Weighting: Evidence from the Field*
Stephen G. Dimmock, Nanyang Technological University  
Roy Kouwenberg, Mahidol University & Erasmus University  
**Olivia S. Mitchell**, Wharton School, University of Pennsylvania and NBER, TIAA Institute Fellow  
Kim Peijnenburg, HEC Paris and CEPR  
We measure individual level probability weighting in the general population and test how this behavioral bias affects actual decisions regarding portfolio choice, retirement saving, annuitization, and insurance purchases.

10:50 a.m. to 11:10 a.m.  
*Behavioral Factors and Long-run Financial Well-being*
**Victor Stango**, University of California, Davis  
Jonathan Zinman, Dartmouth College and NBER  
The authors explore low-cost techniques for eliciting a rich suite of individual-level behavioral factors, and implement these methods in a large, representative U.S. survey.

11:10 a.m. to 11:30 a.m.  
Q&A

11:30 a.m. to 12:30 p.m.  
*Buffet Lunch and Networking*  
Boxed lunches will be set up

12:30 p.m. to 12:40 p.m.  
*Introduction of afternoon Keynote Address*  
Dan O’Toole, TIAA

12:40 p.m. to 1 p.m.  
*Student Debt: A Problem for Retirement Savings?*  
Speaker: **Sandy Baum**, Nonresident Fellow in the Education Policy Program, Urban Institute and Professor Emerita of Economics at Skidmore College

1 p.m. to 1:15 p.m.  
Q&A

1:15 p.m. to 1:20 p.m.  
Break

1:20 p.m. to 2:45 p.m.  
*Afternoon Session: The Weight of External Counsel on our Retirement Planning and Readiness*  
Moderator: **Brent J. Davis**, Economist, TIAA Institute

**Research Presentations:**

1:25 p.m. to 1:45 p.m.  
*Optimal Illiquidity*  
**John Beshears**, Harvard Business School and NBER, TIAA Institute Fellow  
James J. Choi, Yale School of Management and NBER, TIAA Institute Fellow  
David Laibson, Harvard University and NBER  
Brigitte C. Madrian, Harvard University and NBER, TIAA Institute Fellow
This research explores whether an illiquid retirement benefit through Social Security coupled with a liquid set of defined contribution savings accounts is optimal.

1:45 p.m. to 2:05 p.m.  
Are the Elderly More Likely to Receive Conflicted Financial Advice? 
Evidence from Client Surveys  
Michael Finke, The American College of Financial Services  
Jonathan Reuter, Boston College and NBER, TIAA Institute Fellow  
The author evaluates whether older investors in the U.S. are more likely to receive and accept conflicted financial advice.

2:05 p.m. to 2:25 p.m.  
Debt and Financial Vulnerability on the Verge of Retirement  
Annamaria Lusardi, The George Washington University and NBER, TIAA Institute Fellow  
Olivia S. Mitchell, Wharton School, University of Pennsylvania and NBER, TIAA Institute Fellow  
Noemi Oggero, University of Turin  
An analysis of older individuals’ debt and financial vulnerability using data from the Health and Retirement Study (HRS) and the National Financial Capability Study (NFCS).

2:25 p.m. to 2:45 p.m.  
Q&A

2:45 p.m. to 2:55 p.m.  
Key Takeaways from the Symposium and Closing Remarks  
David P. Richardson, Managing Director of Research, TIAA Institute
Shai Akabas
Bipartisan Policy Center

Shai Akabas is director of economic policy with Bipartisan Policy Center. He has conducted research on a variety of economic policy issues, including the federal budget, retirement security, and the financing of higher education. Akabas joined BPC in 2010 and staffed the Domenici-Rivlin Debt Reduction Task Force. He also assisted Jerome H. Powell, current Chairman of the Federal Reserve, in his work on the federal debt limit. For the past several years, Akabas has steered BPC's Commission on Retirement Security and Personal Savings, co-chaired by former Senator Kent Conrad and the Honorable James B. Lockhart III.

Prior to joining BPC, Akabas worked as a satellite office director on New York City Mayor Michael Bloomberg’s 2009 campaign for reelection. Born and raised in New York City, he received his B.A. in economics and history from Cornell University and an M.S. in applied economics from Georgetown University.
Sandy Baum is a nonresident fellow in the Education Policy Program at the Urban Institute and professor emerita of economics at Skidmore College. An expert on higher education finance, she speaks and writes extensively about issues relating to college access, college pricing, student aid policy, student debt, and affordability.

Since 2002, Baum has coauthored the College Board’s annual publications, Trends in Student Aid and Trends in College Pricing. She is a member of the board of the National Student Clearinghouse, and has chaired major study groups through the College Board and the Brookings Institution, developing proposals for reforming federal and state student aid. Baum’s articles on higher education finance have been published in professional journals, books, and the trade press. She is lead researcher on the Urban Institute’s college affordability website, author of Student Debt: Rhetoric and Realities of Higher Education Financing, and coauthor of Making College Work: Pathways to Success for Disadvantaged Students.

Baum earned her B.A. in sociology from Bryn Mawr College, where she serves on the board of trustees, and her Ph.D. in economics from Columbia University.
John Beshears is the Terrie F. and Bradley M. Bloom Associate Professor of Business Administration in the Negotiation, Organizations & Markets Unit of Harvard Business School. He also serves as a faculty research fellow at the National Bureau of Economic Research. Before joining HBS, he was an assistant professor of finance at the Stanford Graduate School of Business.

Professor Beshears’s primary area of research is behavioral economics, which combines insights from psychology and economics to explore individual decision making and market outcomes.


After earning his Ph.D. in business economics at HBS, Professor Beshears was a postdoctoral fellow at the National
Larry Chadwick began his career with TIAA-CREF in New York in 1993. Over the past 25 years, Chad has worked in a variety of roles with the company throughout the United States.

Currently, Chad serves as Senior Managing Director of Government Relations. As head of this team, he is responsible for coordinating all of TIAA’s corporate interaction with the federal and state governments, the development and dissemination of our policy positions, and designing and implementing our advocacy strategy with policymakers. Prior to taking this role, Chad served as Vice President of TIAA Public Policy, establishing TIAA’s public policy unit.

Under his leadership, the Government Relations team has become a trusted source in Washington, D.C. and the state capitals on issues pertaining to financial services and retirement security. He also guided TIAA’s response to the financial services regulatory overhaul known as the Dodd-Frank Act.

Prior to joining TIAA Government Relations in 2007, Chad was Product Manager responsible for the development and execution of TIAA’s annuity wrapped mutual fund product, TIAA Access, and TIAA’s 403(b)-eligible Stable Value Fund.

Chad earned his B.A. in political science and economics from Tulane University, and an M.S. in finance from the University of Denver.
Biography

Brent J. Davis
TIAA Institute

Brent Davis is an economist with the TIAA Institute. His research interests include behavioral economics, behavioral finance, and household financial security. He has several published papers, primarily in behavioral economics. Prior to assuming this role, he was a postdoctoral researcher in the Department of Public Finance at the University of Innsbruck in Austria. His research interests include behavioral economics, behavioral finance and household financial security.

Brent is a member of the American Economic Association. He earned his B.S. in mathematics and economics from St. Lawrence University, and his M.S. and Ph.D. in economics from Florida State University.
Karolina Lempert is a postdoctoral scholar at the University of Pennsylvania, working jointly with the Department of Psychology and the Penn Memory Center. Her research examines the individual differences, situational factors and neural mechanisms that influence intertemporal choices, or choices with consequences that play out over time.

Her current research focuses on how changes in episodic memory with aging might lead to changes in economic decision making. She is the recipient of a Ruth L. Kirschstein National Research Service Award from the National Institute on Aging.

Dr. Lempert earned her B.A. in neurobiology from Harvard University, and her Ph.D. in psychology from New York University.
Olivia Mitchell is the International Foundation of Employee Benefit Plans Professor at the Wharton School of the University of Pennsylvania, as well as Professor of Insurance/Risk Management and Business Economics/Public Policy; Executive Director of the Pension Research Council; and Director of the Boettner Center for Pensions and Retirement Research. Concurrently, she serves as a research associate with the National Bureau of Economic Research; independent director on the Wells Fargo Advantage Fund Trust Board; co-investigator for the Health and Retirement Study at the University of Michigan; and executive board member of the Michigan Retirement Research Center.

Mitchell earned her B.A. in economics from Harvard University, and her M.A. and Ph.D. degrees in economics from the University of Wisconsin-Madison. She has written or coauthored more than 230 books and articles, and speaks Spanish and Portuguese, having lived and worked in Latin America, Europe, and Australasia.
Dan O’Toole
TIAA

Dan O’Toole is Senior Managing Director of Institutional Investment Solutions and Research at TIAA. In this role, he leads research across TIAA’s full set of investment products, as well as product development for the firm’s custom retirement plan default products and services. Recently, TIAA launched two model portfolio services known respectively as the Target Date Plus and Target Income Model, solutions.

Before assuming this role in 2016, Mr. O’Toole was Senior Managing Director and Head of Product and Pricing for the Institutional Retirement business at TIAA. Mr. O’Toole’s teams were responsible for the development, management, and adoption of TIAA’s recordkeeping services.

Prior to joining TIAA in 2010, Mr. O’Toole was Managing Director, JP Morgan Retirement Plan Services. At Morgan, he held various senior leadership positions including: Head of Product, Strategy and Client Management. Before joining JP Morgan, Mr. O’Toole was Head of U.S. Client Management at Mercer HR Services, a leading Total Benefits Outsourcing firm.

Mr. O’Toole earned a BS in Finance from Villanova University as well as an MBA from Boston University, and holds his Series 24, 7 and 63 Securities Licenses.
Noemi Oggero is a Ph.D. student and lecturer at the University of Turin in Italy.

She has been collaborator on research projects with the Center for Research on Pensions and Welfare Policies (CeRP) at the Collegio Carlo Alberto, as well as research associate with the Global Financial Literacy Excellence Center (GFLEC) at the George Washington University School of Business, where she was responsible for the design, development and delivery of research projects on financial capability and financial literacy.

Oggero holds two masters in economics from Collegio Carlo Alberto and University of Turin.
Jonathan Reuter is an associate professor of finance at the Carroll School of Management of Boston College, and also serves as a research associate at the National Bureau of Economic Research. Prior to joining Boston College, he spent five years as an assistant professor of finance at the University of Oregon, where he received both the Business Advisory Council Undergraduate Teaching Award and the James E. Reinmuth M.B.A. Teaching Excellence Award.

Reuter’s research examines the behavior of individual investors and financial institutions, and has been published in leading academic journals, including the *Journal of Finance* and *Quarterly Journal of Economics*, as well as cited in major media outlets, including *The New York Times* and *The Wall Street Journal*. He received a B.A. in economics from Johns Hopkins University and a Ph.D. in economics from the Massachusetts Institute of Technology.
David Richardson is Managing Director of Research with the TIAA Institute. Before joining the Institute, he served as senior economist for Public Finance at the White House Council of Economic Advisers, and held the New York Life Chair in Risk Management and Insurance at Georgia State University. Previously, he worked as a financial economist in the Office of Tax Policy at the U.S. Treasury, and was an assistant professor in the Department of Economics at Davidson College.

Richardson's research interests include public pensions, employer retirement benefit plans and household financial security. He has served as a research fellow for the China Center for Insurance and Social Security Research at Peking University, a research fellow for the Center for Risk Management Research, and a research associate at the Andrew Young School of Policy Studies at Georgia State University. He also is a member of the Pension Research Council Advisory Board, the American Economic Association, the American Risk and Insurance Association, and the National Tax Association.

Richardson earned a B.B.A. from the University of Georgia, and an M.A. and a Ph.D. in economics from Boston College.
Professor Victor Stango’s research focuses on household financial decision making over both short- and long-term time horizons. His current work examines how behavioral influences on consumer decision-making are related to each other, to cognitive abilities and other demographics, and to financial decisions and outcomes.

Stango’s work has been featured in *The Wall Street Journal, The New York Times, The New Yorker, Business Week, Newsweek* and major online business news media. He has appeared on “Good Morning America,” Fox News, CNBC, Bloomberg, and many other news programs to discuss his work and provide expert commentary. His research has appeared in the *American Economic Review, The Journal of Finance, The Review of Financial Studies* and other leading academic journals. Stango is an associate editor of The International Journal of Industrial Organization. He is also an affiliate expert with Cornerstone Research, occasionally providing consulting in matters related to the financial service industry.

Before joining the Graduate School of Management in 2008, Stango gained experience at the Tuck School of Business at Dartmouth College, the Federal Reserve Banks of Chicago and New York, and other academic institutions. He also served for several years on the board of Consumer Credit Research Foundation.

Stango holds a B.A. in economics and political science from the University of Pennsylvania, and a Ph.D. in economics from UC Davis.
Paul J. Yakoboski
TIAA Institute

Paul Yakoboski is a senior economist with the TIAA Institute, where he is responsible for research on lifetime financial security. Areas of focus include topics related to defined contribution plan design, financial literacy and capability, individual saving and investment decision making, and asset management during retirement, as well as workforce issues in the higher education and non-profit sectors, all of which are examined in Institute symposia he conducts. Yakoboski also serves as director of the Institute’s Fellows Program, and editor of its Trends and Issues publication series.

Prior to joining the Institute, Yakoboski held positions as director of policy research for the American Council of Life Insurers, senior research associate with the Employee Benefit Research Institute, and senior economist with the U.S. Government Accountability Office. He also previously served as director of research for the American Savings Education Council, and as adjunct instructor at Nazareth College.

Yakoboski is a member of the American Economic Association and the National Academy of Social Insurance. He also serves on the board of the Journal of Retirement, the editorial advisory board of Benefits Quarterly, the research committee of the Insured Retirement Institute, and the Society of Actuaries’ Committee on Post-Retirement Needs and Risks. Yakoboski earned his B.S. in economics from Virginia Tech. and his M.A. and Ph.D. in economics from the University of Rochester.
About the TIAA Institute

The TIAA Institute helps advance the ways individuals and institutions plan for financial security and organizational effectiveness. The Institute conducts in-depth research, provides access to a network of thought leaders, and enables those it serves to anticipate trends, plan future strategies and maximize opportunities for success. To learn more, visit www.tiaainstitute.org.

About the Pension Research Council

This nonprofit Center of The Wharton School of the University of Pennsylvania is committed to generating debate on key policy issues affecting pensions and other employee benefits. It sponsors interdisciplinary research on the entire range of private pension and social security programs, as well as related benefit plans in the United States and around the world.