

Behavioural Sciences and Rural-Urban Development Seminar Series

Behavioural Economics and Personal Financial Decision-Making

By Professor John Howe, Trulaske College of Business, University of Missouri

11am, Wednesday 23 May, 2018

Mill Lane Lecture Room 10, Mill Lane Lecture Theatres, University of Cambridge

SUMMARY

In the last two decades, Behavioural Economics (BE) has evolved from a largely ignored ugly stepchild to a well-accepted sub-discipline of Economics. Two Nobel Prizes have been awarded for work in the area (Kahneman and Thaler), and a number of policies have been adopted based on Behavioural Economics, e.g., the “Nudge” unit here in Britain. Prof. Howe’s talk will start by contrasting Behavioral Economics with mainstream Economics, emphasizing that each has something to offer. He will then turn to practical applications of BE to personal financial decision-making, the subject of his new book. Along the way, he will offer some suggestions about how the tenets of Behavioural Economics might apply to real estate and real estate finance.

About the speaker



John Howe is Professor of Finance, Missouri Bankers Chair, and Chair of the Finance Department at the University of Missouri. He has been at MU more than two decades, with prior appointments at Louisiana State University and the University of Kansas. He earned his undergraduate degree (B.A.) from Colorado College and his graduate degrees (M.S., Ph.D.) from Purdue University. He is a Chartered Financial Analyst (CFA) as well as a Governance Fellow of the National Association of Corporate Directors. He has served on the boards of directors of five for-profit companies and has extensive non-profit board experience. John’s research interests include behavioral finance, corporate governance, and household finance. He has published extensively in the major journals in finance and accounting, and has more than 65 publications in peer-reviewed journals. He has been a visiting scholar at the University of Cambridge (U.K.) and Queensland University of Technology (Australia), and has taught courses for the banking group UBS (Switzerland). John has won numerous teaching awards, including the William T. Kemper Fellow for Excellence in Teaching. He has taught at all levels including the executive MBA. He is the author of *The Foolish Corner: Avoiding Mind Traps in Personal Financial Decisions*. A preview of the book (Table of Contents, Introduction, and Chapter 1) can be found at: <http://www.knowthybiasedself.com/>.

