

Research Proposal for Extension of Fernandes, Lynch and Netemeyer (2014)

Fernandes, Lynch and Netemeyer (2014) examine the effect of financial literacy on financial behaviors (i.e., saving, absence of debt, planning for retirement, cash flow management, activity in retirement plans, ownership of stocks and investment decisions). They find that financial education has miniscule effects in helping consumers make better financial decisions and that what effects exist dissipate entirely in less than two years. This research proposal intends to extend Fernandes, Lynch and Netemeyer (2014) in order to understand why the effect of financial education decays so rapidly.

Our guiding hypothesis is that people forget. A few months after receiving financial education, people forget what they have learned and therefore interventions produce small effects on financial behavior after a delay.

In order to test this hypothesis we intend to conduct a meta-analysis and potentially some empirical studies. The meta-analysis would examine the effect of financial interventions on financial knowledge and investigate whether the interventions with more stable effects over time on knowledge also produce more stable effects on behavior. The meta-analysis would also test whether the interventions with more specific contents also produce the stronger effects on the specific areas. Finally, the meta-analysis would test whether interventions that try to teach soft-skills (such as confidence in information search, willingness to take risks and propensity to plan) produce stronger effects on behavior, if they exist.

Another relevant test that this research intends to examine is whether interventions that nudge financial behaviors produce stronger effects than financial education. This would allow us to test on what financial behaviors nudges are more effective and thus financial education efforts less recommended. We predict that for the behaviors that inertia impedes positive behavior (e.g., saving) nudges may be more effective, whereas for behaviors that require reflection and refraining from impulses (e.g., absence of debt and cash flow management) financial education may be better suited. In addition, we predict that nudges will be effective for a long period of time, whereas financial education is only effective for a short interval as Fernandes, Lynch and Netemeyer (2014) have shown. In addition, we predict that nudges will be as effective for low-income and high-income individuals, whereas financial education works best for high-income individuals as Fernandes, Lynch and Netemeyer (2014) have shown. Finally, we predict that nudges will be as effective for young as for old individuals, whereas financial education may be more effective for younger people as they may learn more easily.

In addition to the variables above, we would code for several other variables on the papers examining financial education interventions such as characteristics of students (e.g., age of students, previous knowledge, social class), of teachers (e.g., financial knowledge, financial experience, teaching experience), and of interventions (e.g., number of hours, delay between intervention and measurement of knowledge and behavior if measured, content, interval between sessions, mandated vs. voluntary).

Depending on the outcomes of this meta-analysis, we would design empirical studies to test interventions aimed at improving financial knowledge and behavior. This research project would shed light on how to foster better financial behaviors with clear implications for policy making and for theory. The research budget would be allocated entirely to funding for data collection, for presentation of the results at conferences and for research visits between the researchers involved in this project as described below.

Itemized budget (estimated expense):

Participation at conferences: US\$5000;

Data collection (payment of research assistants and payment of respondents): US\$12000;

Research visits: US\$3000.

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POSITION

Assistant Professor, September 2013

Católica-Lisbon School of Business & Economics, Catholic University of Portugal

EDUCATION

Ph.D. in Marketing, October 2013

Rotterdam School of Management, Erasmus University

Visiting PhD student, June-December 2010

Leeds School of Business, University of Colorado at Boulder

M.Sc. in Marketing, March 2008

Federal University of Rio Grande do Sul, Brazil

B.A. in Business Administration, December 2005

Federal University of Rio Grande do Sul, Brazil

RESEARCH INTERESTS

Memory; Planning; Financial Literacy; Emotions; Metamemory; Ideology.

PUBLICATIONS

Fernandes, Daniel, John G. Lynch and Richard G. Netemeyer (2014). "Financial Literacy, Financial Education and Downstream Financial Behaviors?," *Management Science*, in press

Fernandes, Daniel, and Naomi Mandel (2014). "Political Conservatism and Variety-Seeking," *Journal of Consumer Psychology*, 24 (1), 79-86.

Fernandes, Daniel (2013). "The 1/N Rule Revisited: Heterogeneity in the Naïve Diversification Bias," *International Journal of Research in Marketing*, 30 (3), 310-313.

De Langhe, Bart, Stefano Puntoni, Daniel Fernandes and Stijn M. J. van Osselaer (2011). "The Anchor Contraction Effect in International Marketing Research," *Journal of Marketing Research*, 48 (2), 473-89.

OTHER PUBLICATIONS

Pizzutti, Cristiane and Daniel Fernandes (2010). “A Contingency Model of the Effect of Recovery Efforts on Consumer Trust and Loyalty in Online Purchasing,” *International Journal of Electronic Commerce*, 14, 127-160.

Fernandes, Daniel, and Cristiane Pizzutti (2008). “As Conseqüências Comportamentais da Insatisfação dos Clientes,” *Revista de Administração Contemporânea*, 12, 147-174.

Pizzutti, Cristiane and Daniel Fernandes (2008). “A Recuperação de Serviços como Ferramenta de Relacionamento e seu Impacto na Confiança e Lealdade dos Clientes,” *Revista de Administração de Empresas*, 48, 10-24.

WORK UNDER REVIEW

Fernandes, Daniel, and John G. Lynch. “Mañana: Motivational Effects of Reminders on Accelerating or Delaying Task Completion,” in preparation for resubmission for the *Journal of Consumer Research* (revise & resubmit).

Fernandes, Daniel, Lawrence E. Williams and Christina Kan. “Only a Diamond Can Cut a Diamond: The Regulation of Anxiety and Sadness via System Fit,” in preparation for resubmission for the *Journal of Consumer Research* (revise & resubmit).

Fernandes, Daniel, Stefano Puntoni, Stijn van Osselaer and Elizabeth Cowley. “Of Optimists and Shopping Lists: The Dissociation between Memory Metacognition and Memory Performance,” in preparation for resubmission for the *Journal of Consumer Psychology* (revise & resubmit).

Ordabayeva, Nailya and Daniel Fernandes. “Politics and Status: How Political Ideology Shapes Status Concerns and Preferences,” in preparation for resubmission for the *Journal of Marketing Research* (revise & resubmit).

WORKING PAPERS

Fernandes, Daniel, Bart de Langhe and Stefano Puntoni. When More Leads to Less: Greater Attentional Bias for Emotional Information is Negatively Associated with Self-Reported Feelings. (Five studies completed). Target: *Journal of Personality and Social Psychology*.

CONFERENCE PRESENTATIONS

“A Meta-Analytic and Psychometric Investigation of the Effect of Financial Literacy on Downstream Financial Behaviors,” Boulder Conference on Consumer Financial Decision Making, Boulder, June 24-26 (2012) and at the Association for Consumer Research Conference, Vancouver, October 4-7 (2012).

“Mañana: Reminders as Tools for Accelerating or Procrastinating Task Completion,” European Marketing Academy Doctoral Colloquium, Lisbon, May 2012.

“When More Leads to Less: Greater Attentional Bias for Emotional Information is Negatively Associated with Self-Reported Feelings,” Society for Consumer Psychology Conference, Las Vegas, February 16-18 (2012) and at the Association for Consumer Research Conference, Vancouver, October 4-7 (2012).

“Of Optimists and Shopping Lists: The Dissociation between Consumers’ Memory Metacognition and Memory Performance,” Behavioral Decision Research in Management Conference, Boulder, June 27-29, (2012). Poster Presentation.

“Only a Diamond Can Cut a Diamond: The Regulation of Anxiety and Sadness via System Fit,” Association for Consumer Research Conference, St. Louis, October 13-16 (2011).

“The Spice of Life: Effects of Mortality Anxiety on Preference for Variety,” Association for Consumer Research Conference, Pittsburgh, October 22-25 (2009).

“The Antecedents of Consumer Complaining Behavior,” Association for Consumer Research Conference, Memphis, October 25-28 (2007).

INVITED TALKS

2013: University of Amsterdam
2012: University of Bath
Universitat Pompeu Fabra
Tilburg University
Universidade Católica Portuguesa

TEACHING & UNIVERSITY SERVICE

2012-2013: Supervisor of Bachelor Internships in Marketing (supervision of students’ training on-the-job and application of theoretical knowledge for three months in a company).

2011: Supervisor of Bachelor Thesis Course (24 students; Evaluation: 4.67/5). Preparation, orientation and evaluation of students’ research project for the bachelor thesis.

2009-2010: Administrator of the ERIM Research Participation System (ERPS) – Erasmus University subject pool.

2007-2008: Teaching Assistant of Introduction to Marketing – Federal University of Rio Grande do Sul, Brazil.

PROFESSIONAL SERVICE

Trainee Reviewer: Journal of Consumer Research
Ad-Hoc Reviewer: ACR North American Conference, EMAC Conference, Journal of Economic Behavior & Organization, European Journal of Personality

DOCTORAL COURSEWORK

Courses	Instructor(s)	Institution
Behavioral Decision Theory	Peter Wakker	Erasmus University
Consumer Behavior	Rik Pieters	Tilburg University
Behavioural Foundations	Daan van Knippenberg	Erasmus University
Behavior Regulation	Rob Holland	Radboud University Nijmegen
Advanced topics in Memory and Language	Annette de Groot, Jaap Murre, Jeroen Raaijmakers, and Peter Starreveld	University of Amsterdam
Managerial Decision Making and Decision Support	Berend Wierenga and Jehoshua Eliashberg	Erasmus University
Measurement Models in Marketing	Marnik Dekimpe, Peter Leeflang, and Jaap Wieringa	EDEN (Doctoral Education Network), Brussels
Philosophy of Science	Will Phelps	Erasmus University
Statistical Methods	Patrick Groenen and Alex Koning	Erasmus University
Structural Equation Modeling through Partial Least Squares	Guido Berens	Erasmus University
Publishing Strategy	Will Phelps and Pursey Heugens	Erasmus University

Short courses and PhD tutorials	Instructor(s)	Institution
Social Cognition	Jens A. Förster	Kurt Lewin Institut, Amsterdam
Methodological Seminars: 1. When in Doubt, Regress; 2. A Mix Within; 3. Just Do It	Marcello Gallucci	Kurt Lewin Institut, Amsterdam
Dynamic Decision Problems in Marketing	Guenter Hitsch	University of Chicago
Word-of-Mouth	Dina Mayzlin	Yale University
Comparative Optimism	Justin Kruger	New York University
The Effects of Money on Personal and Interpersonal Behavior	Kathleen Vohs	University of Minnesota
Probabilistic Models I	Bruce Hardie	London Business School
Probabilistic Models II	Young-Hoon Park	Cornell University
Learning in JDM	Robin Hogarth	Universitat Pompeu Fabra
Qualitative research & studying consumption and markets	Güliz Ger	Bilkent University
Location is (still) everything: Why Geography affects the Internet?	David Bell	University of Pennsylvania

HONORS & AWARDS

2012: ACR Grant Conference to the Boulder Summer Conference, US\$ 500.
2011-2012: "A Meta-Analytic and Psychometric Investigation of the Effect of Financial Literacy on Downstream Financial Behaviors," supported by a grant from the National Endowment for Financial Education (NEFE).
2010-2011: Erasmus Trustfonds: research grant (€1000) and travel grant (€750).
2010: Erasmus Research Institute of Management Grant for 6 months visit to the University of Colorado, Leeds School of Business.

OTHER PROFESSIONAL SERVICE

Consulting services in marketing research, planning, and strategy, 2006-2007
Research assistant at the Federal University of Rio Grande do Sul, 2004-2005.

MEMBERSHIP

Association for Consumer Research (ACR)
Society for Consumer Psychology (SCP)

PERSONALIA

Born on August 26, 1983, in Porto Alegre, Brazil. Married to Julia Polgati Diehl.
Black-belt of Judo.

REFERENCES

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