

The Informed Banker

Why Behavioral Economics Matters

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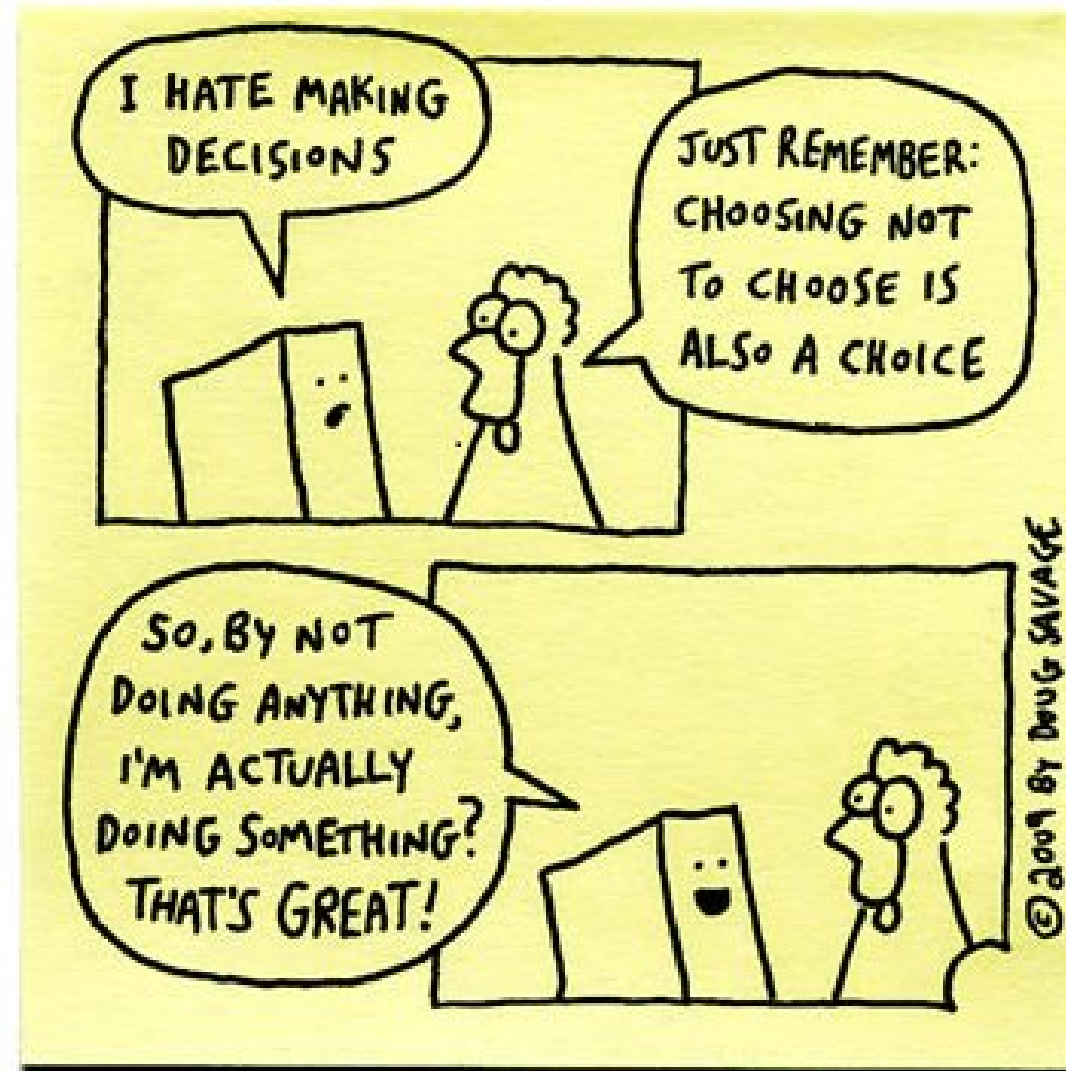
What is Behavioral Economics?



“libertarian paternalism”

Savage Chickens

by Doug Savage



www.savagechickens.com

The Why

76% *Of Americans are living paycheck-to-paycheck.*

50% *Of Americans cannot raise \$2,000 in 30 days.*

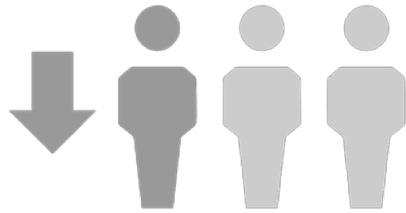
47% *Of consumers cannot cover a \$400 emergency without selling something or borrowing money.*

37% *Of Americans have credit card debt greater than their savings.*

56% *Of Americans have a low credit score (FICO® 500-649); potential lifetime cost of \$200,000 or more.*

Sources: Wells Fargo Middle-class Retirement Study (2014); Asset Funders Network: The Power of Credit Building (2014); Federal Reserve: Report on the Economic Well-Being of U.S. Households 1 2013; Urban Institute: Delinquent Debt in America (2014); Bankrate.com (Feb. 2015).

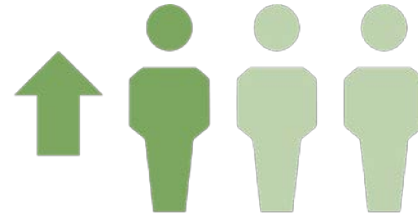
The Who



1/3 make less than \$60,000 a year

Healthy

43%



1/3 make more than \$60,000 a year

Not Healthy

57%

Source: *Understanding and Improving Consumer Financial Health in America*, CFSI, 2015

3 Concepts

1. Mental Accounting



3. Defaults

2. Commitments/
Pledging

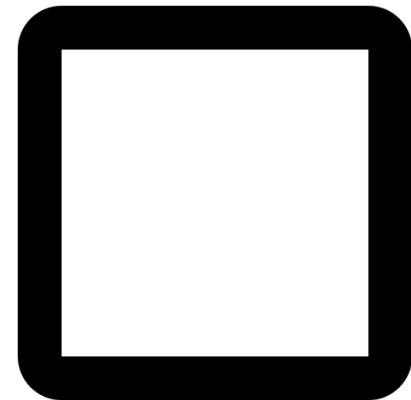
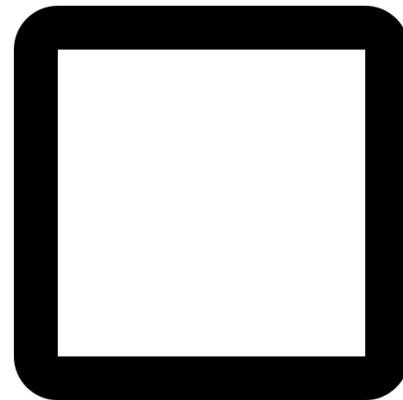
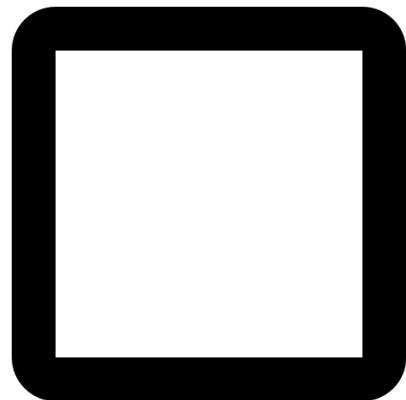
Mental Accounting



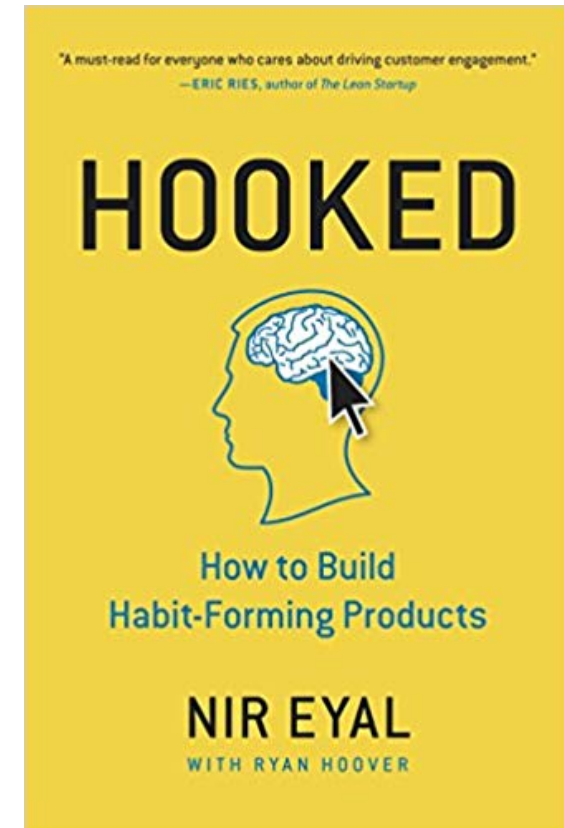
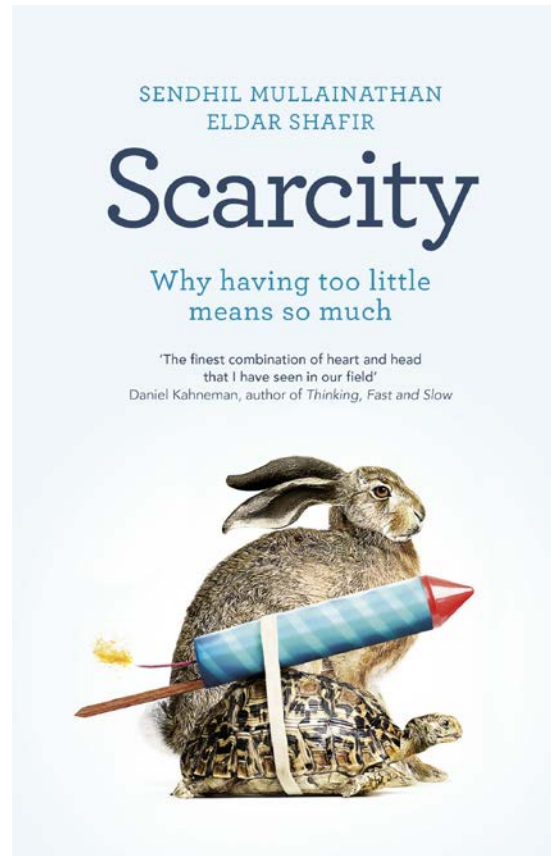
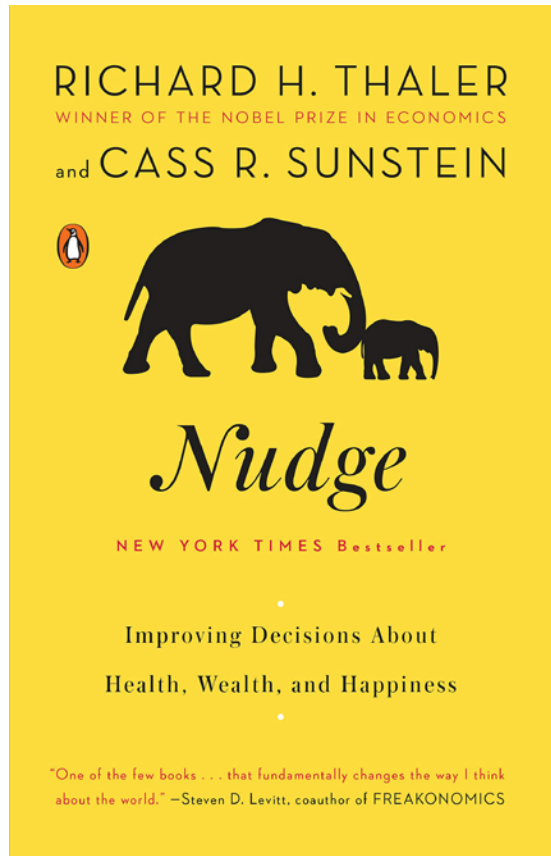
Commitments/Pledging



Defaults



Recommended Reading



Q&A

Type your question in the chat panel 

Alix Patterson
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harlandclarke.com/LinkedIn



harlandclarke.com/Twitter

Presentation materials and video replay will be provided within one week.

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The content for this presentation was created by Alix Patterson. The views and opinions expressed herein are those of the author, Amy Eagan and do not necessarily reflect those of Harland Clarke.

Thank You

