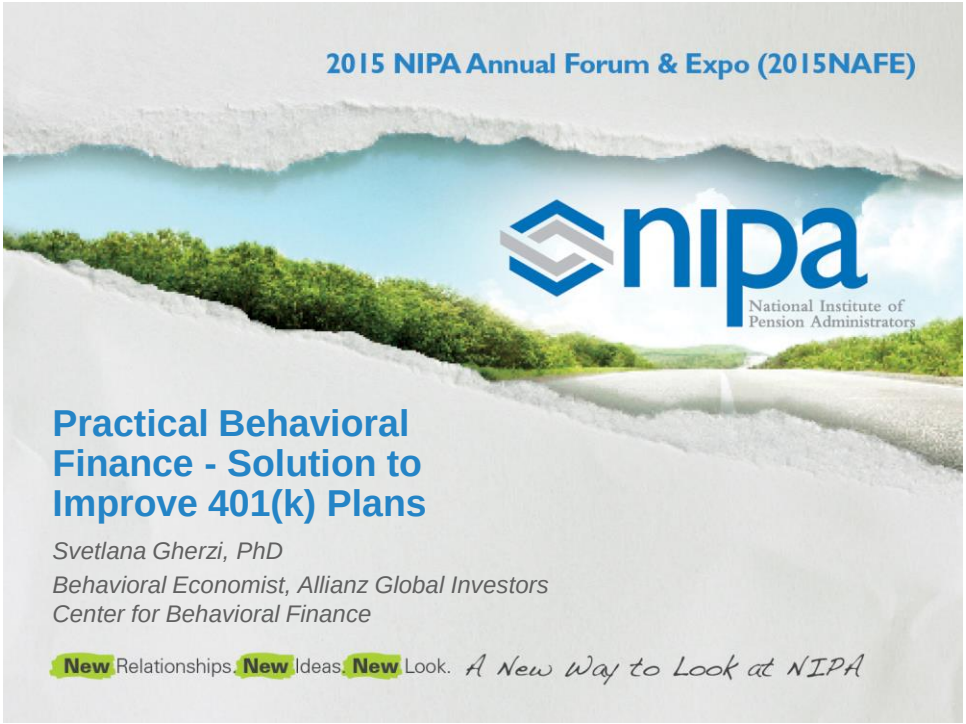
2015 NIPA Annual Forum & Expo (2015NAFE)



Practical Behavioral Finance - Solution to Improve 401(k) Plans

Svetlana Gherzi, PhD
Behavioral Economist, Allianz Global Investors
Center for Behavioral Finance

New Relationships. New Ideas. New Look. *A New Way to Look at NIPA*

Sventlana Gherzi, PhD, Behavioral Economist, Allianz Global Investors Distributors LLC

Working with the Allianz Global Investors Center for Behavioral Finance, she provides specialist knowledge in behavioral finance, and is responsible for transforming academic research into actionable ideas and practical tools that financial advisors and plan sponsors can use to help people make better financial decisions. Dr. Gherzi has eight years of investment-industry experience. Previously, she sold fixed income products and credit derivatives at Troika Dialog and Bear Stearns. Before that she worked at Financial Dynamics and Lehman Brothers International, both in London. Dr. Gherzi has a B.A. in economics from Boston University, a master's degree in international business and economics from City University, London, and a Ph.D. in behavioral science from The University of Warwick, United Kingdom.

Contents

- How Behavioral Finance Can Help the Defined Contribution (DC) Crisis
- 6 of 20 Best Behavioral Practices to:
  - SAVE: Increase Participation Rates
  - SAVE MORE: Increase Deferral Rates
  - SAVE SMARTER: Invest Wisely
- Recap and Summary

The DC World is in Crisis



Our goal: 90–10–90

- Every American deserves access to a DC plan
- At least 90% should be saving for retirement
- Saving rates ought to be more than 10%
- 90% should let professionals construct their portfolios
- Call it the 90–10–90 rule or simply PlanSuccess Goals

How behavioral finance can help

- Behavioral finance combines psychology and finance.
- It reveals how people make financial decisions.
- It also provides behavioral solutions to help people make better choices.
- Let's see how behavioral finance solutions can improve retirement outcomes …



SAVE:
Increase Participation Rates to 90%

Best Behavioral Practices

Behavioral Challenge: Inertia





12%

☑ donate organs

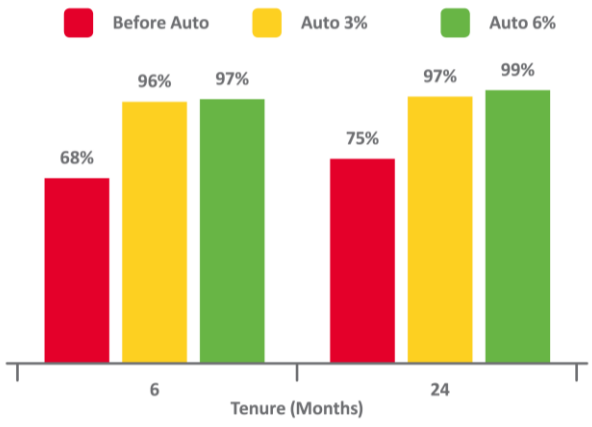
12% Donate Organs

1%

☑ don't donate

99% Donate Organs

Inertia, Auto-Enrollment and Plan Participation



Behavioral Challenge: Present Bias

DAY

30%





20%

When participants fail to enroll, what are they telling the plan sponsor?

- ☐ I am an eternal spender
- ☐ I want to save and eat bananas, but not now

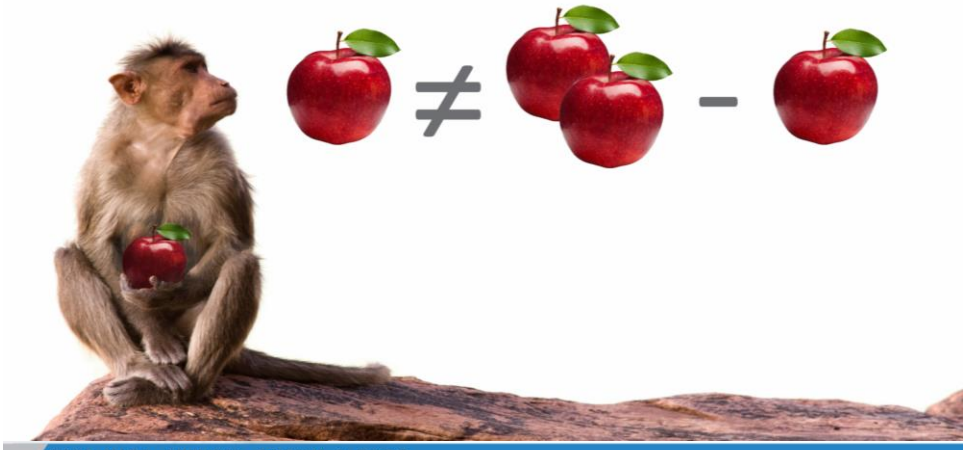
SAVE: Best Behavioral Practices

- Action 2: Initial savings rate of 6%
- Action 3: Future Enrollment

SAVE MORE:
Increase Deferral Rates to 10%

Best Behavioral Practices

Behavioral Challenge: Loss Aversion



Save More Tomorrow 2.0

Behavioral Challenge	Opportunity
Present Bias	Future increase
Inertia	Auto-increase
Loss Aversion	Synchronized increases with pay raises

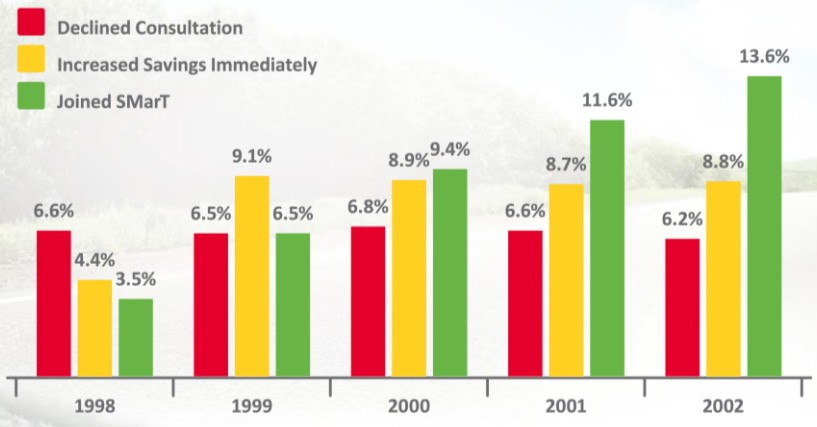
Source: Thaler and Benartzi (2004)

Save More Tomorrow

- First implemented in 1998
- Mid-sized manufacturing company
- Employees offered opportunity to meet with financial consultant
- Almost all met with consultant and were advised to increase savings one-time by 5 percentage points
- Those who declined advice were invited to automatically increase their deferral rates by 3% every time they get a pay raise, up to four increases.

Source: Thaler and Benartzi (2004)

Deferral rates with and without Save More Tomorrow



Source: Thaler and Benartzi (2004)

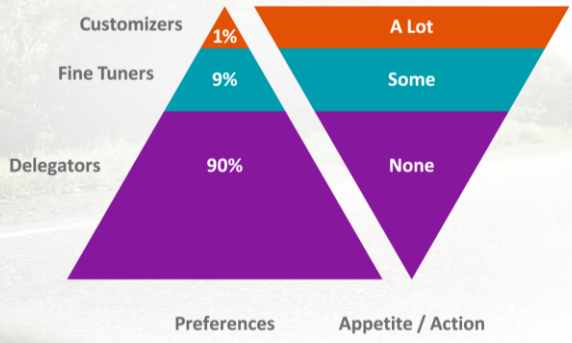
SAVE MORE: Best Behavioral Practices

- Action 10: Synchronization
  (*half the pay raise goes into savings*)

SAVE SMARTER:
90% to Use One-stop Portfolio Solutions

Best Behavioral Practices

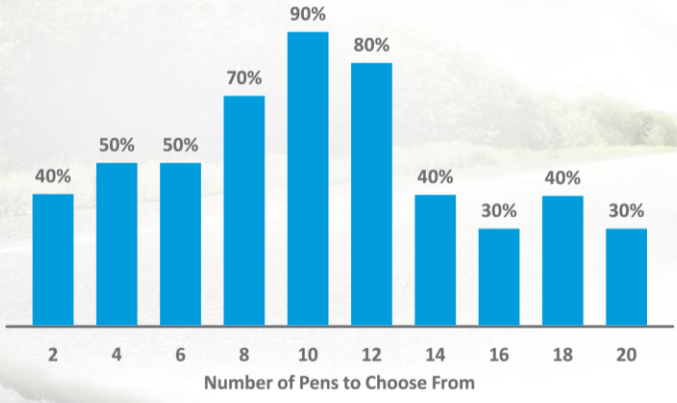
The Investment Appetite Pyramid



Source: Benartzi and Lewin (2012)

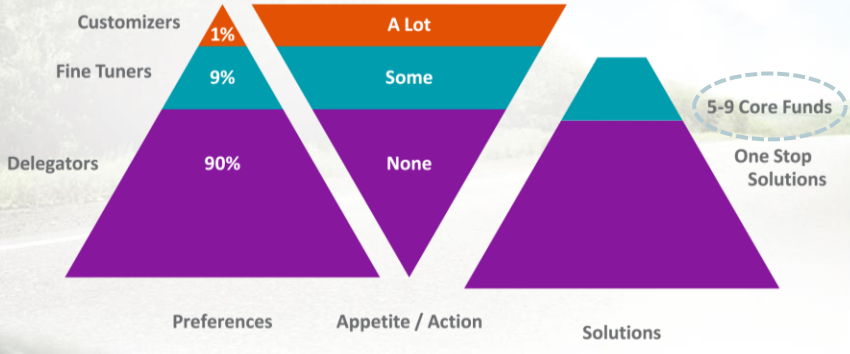
Behavioral Challenge: Choice Overload

Degree of Choice and Percentage of Subjects Buying a Pen



Source: Shah and Wolford (2007)

The Investment Solutions Pyramid



Source: Benartzi and Lewin (2012)

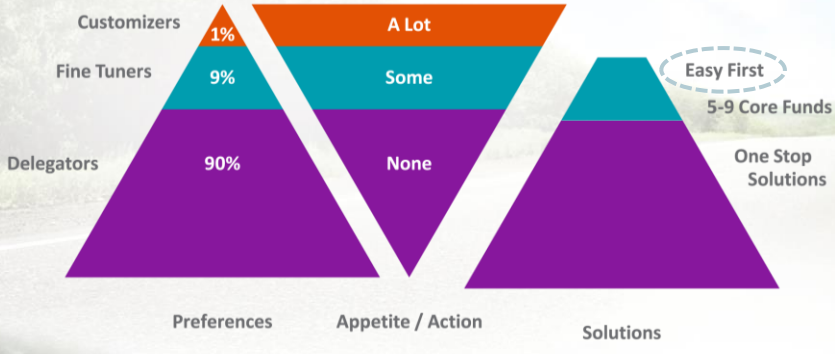
Which do you like best?

Behavioral Challenge: Primacy Effect



Source: Mantonakis et al. (2009)

The Investment Solutions Pyramid



Source: Benartzi and Lewin (2012)

Behavioral Challenge: Lack of Affective Ease

Fast-Food	Calories	Miles Needed to Walk	Time Needed to Walk
	560	5 Miles	2 Hours
	1,759	17 Miles	6 Hours
	2,710	27 Miles	9 Hours

Source:Downs et al. (2009), Slovic et al. (2007), and data adapted from www.healthy-eating-centre.com (2012)

Story of Rose and $100,000 highlights the "Illusion of Wealth"





SAVE SMARTER: Best Behavioral Practices

- Action 15: Magic 7 for Fine Tuners
- Action 16: Easy first for Fine Tuners
- Action 20: Tangible account statement (*projected monthly income at retirement plus easy actions to change saving rate or asset allocation*)

SAVE MORE TOMORROW:

Recap and Summary

Recap of Behavioral Challenges

SAVE: Recap of Best Behavioral Practices

- Action 1: Auto-enrollment for all employees
- **Action 2: Initial savings rate of 6%**
- **Action 3: Future enrollment**
- Action 4: Easy enrollment
- Action 5: Active enrollment
- Action 6: Match optimizer

SAVE MORE: Recap of Best Behavioral Practices

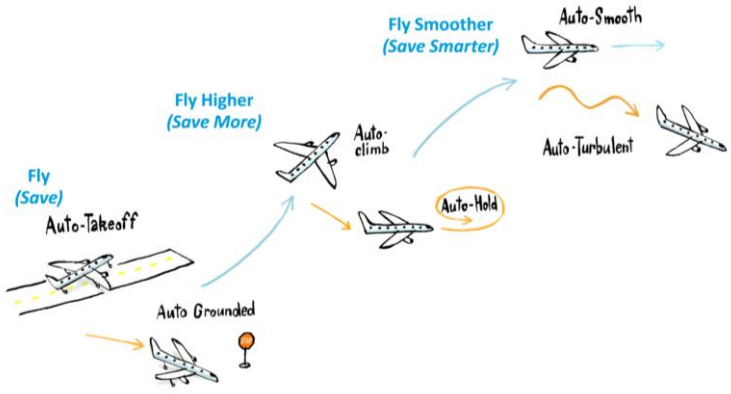
- Action 7: Auto-escalation for all employees
- Action 8: Auto-escalation increments of 2%
- Action 9: Auto-escalation cap of at least 10%
- **Action 10: Synchronization**
- Action 11: January increases (alternative to synchronization)
- Action 12: Imagine exercise (or alternative)

SAVE SMARTER: Recap of Best Behavioral Practices

- Action 13: Tailor the investment menu
- Action 14: Auto-invest for all employees
- **Action 15: Magic 7 for Fine Tuners**
- **Action 16: Easy first for Fine Tuners**
- Action 17: Specialty funds for Customizers
- Action 18: Limit company stock to 10%
- Action 19: Lifetime statement
- **Action 20: Tangible account statement**

Summary: Behavioral finance

Makes the retirement plane journey easy and safe



References

(Sources in Alphabetical Order)

Allianz Global Investors Retirement Summit in Dallas, May 2011.

Benartzi, Shlomo, Ehud Peleg, and Richard H. Thaler. 2012. "Behaviorally Informed Retirement Saving Plans." In *The Behavioral Foundations of Policy*, edited by Eldar Shafir. Russell Sage Foundation and Princeton University Press.

Benartzi, Shlomo, and Richard H. Thaler. 1995. "Myopic Loss Aversion and the Equity Premium Puzzle." *The Quarterly Journal of Economics* 110, no. 1: 73–92.

Benartzi, Shlomo, and Richard H. Thaler. 2002. "How Much Is Investor Autonomy Worth?" *The Journal of Finance* 57, no. 4: 1593–1616.

Benartzi, Shlomo, Richard H. Thaler, Stephen P. Utkus, and Cass Sunstein. 2007. "Company Stock, Market Rationality, and Legal Reform." *Journal of Law and Economics* 50, no. 1: 45–79.

Beshears, John, James J. Choi, David Laibson, and Brigitte C. Madrian. 2009. "The Importance of Default Options for Retirement Savings Outcomes: Evidence from the United States," in Jeffrey Brown et al., eds., *Social Security Policy in a Changing Environment*. Chicago: University of Chicago Press.

References

Beshears, John, James J. Choi, David Laibson, and Brigitte C. Madrian. 2010. "Simplification and Saving," National Bureau of Economic Research, Working Paper No. 12659.

Center for Due Diligence Advisor Conference in Chicago, October 2011.

Chen M.K, Lakshminarayanan V, and Santos L.R. 2006. "How basic are behavioral biases? Evidence from capuchin monkey trading behavior." *Journal of Political Economy* 114:517–537.

Choi, James, David Laibson, Brigitte C. Madrian, and Andrew Metrick (2005). "Optimal Defaults and Active Decisions," NBER Working Paper No. 11,074 (Cambridge, MA: National Bureau of Economic Research).

Choi, James J., David Laibson, Brigitte C. Madrian, and Andrew Metrick. 2006. "Defined Contribution Pensions: Plan Rules, Participant Decisions, and the Path of Least Resistance." In *Tax Policy and the Economy*, vol. 16, edited by James Poterba. Boston: MIT Press.

Choi, James J., David Laibson, Brigitte C. Madrian, and Andrew Metrick. 2006. "Saving for Retirement on the Path of Least Resistance." In *Behavioral Public Finance: Toward a New Agenda*, edited by Edward J. McCaffrey and Joel Slemrod. New York: Russell Sage Foundation, 304–51.

References

Deloitte. 2010. Annual 401(k) *Survey: Retirement Readiness*.

Downs, Julie S., George Loewenstein, and Jessica Wisdom. 2009. "Strategies for Promoting Healthier Food Choices." *American Economic Review* 99, no. 2: 1–10.

Engelhardt, Gary V., and Anil Kumar. 2003. "Understanding the Impact of Employer Matching on 401(k) Saving." *Research Dialogue* (TIAA-CREF Institute) no. 76 (June).

Engelhardt, Gary V., and Anil Kumar. 2006. "Employer Matching and 401(k) Saving: Evidence from the Health and Retirement Study." Working Paper 12447, National Bureau of Economic Research.

Financial Engines. 2010. "National 401(k) Evaluation."

Healthy Eating. 2012. "Fast Food Nutrition Facts Overview." Retrieved September 17, 2012, from http://www.healthy-eating-centre.com/fast-food-nutrition-facts.html

Ibbotson, Roger, James Xiong, Robert P. Kreitler, Charles F. Kreitler, and Peng Chen, et al. 2007. "National Savings Rate Guidelines for Individuals." *Journal of Financial Planning* (April): 50–61.

References

Johnson, Eric J., and Daniel G. Goldstein. 2003. "Do Defaults Save Lives?" *Science* 302 (21 November): 1338–39.

Mantonakis, Antonia, Pauline Rodero, Isabelle Lesschaeve, and Reid Hastie. 2009. "Order in Choice: Effects of Serial Position on Preferences." *Psychological Science* 20, no. 1: 1309–12.

Meulbroek, Lisa K. 2002. "Company Stock in Pension Plans: How Costly Is It?" *Journal of Law and Economics* 48, no. 2: 443-74.

Mischel, Walter, Yuichi Shoda, and Monica L Rodriguez. 1989. "Delay of Gratification in Children." *Science* 244: 933–38.

PSCA. 2011. *54rd Annual Survey*.

Read, Daniel, and Barbara Van Leeuwen. 1998. "Predicting Hunger: The Effects of Appetite and Delay of Choice." *Organizational Behavior and Human Decision Processes* 76, no. 2: 189–205.

Samuelson, Paul. 1963. "Risk and Uncertainty: A Fallacy of Large Numbers," *Scientia*, 98: 108-113

References

Shah, Avni M., and George Wolford. 2007. "Buying Behavior as a Function of Parametric Variation of Number of Choices." *Psychological Science* 18: 369–70.

Thaler, Richard H., and Shlomo Benartzi. 2004. "Save More Tomorrow™: Using Behavioral Economics to Increase Employee Saving." *Journal of Political Economy* 117: S164–S187.

Slovic, Paul, Melissa Finucane, Ellen Peters, and Donald G. MacGregor. 2007. "The Affect Heuristic." *European Journal of Operational Research* 177, no. 3: 1333–52.

Vanguard. 2010. "How America Saves."

Additional Suggested Readings

Ainslie, George W. 1992. *Picoeconomics*. Cambridge: Cambridge University Press.

Barber, Brad M., and Terrence Odean. 2000. "Trading Is Hazardous to Your Wealth: The Common Stock Investment Performance of Individual Investors." *The Journal of Finance* 55, no. 2: 773–806.

Barber, Brad M., and Terrence Odean. 2008. "All That Glitters: The Effect of Attention and News on the Buying Behavior of Individual and Institutional Investors." *The Review of Financial Studies* 21, no. 2: 785–818.

Barber, Brad M., Terrence Odean, and Lu Zheng. 2003. "Out of Sight, Out of Mind: The Effect of Expenses on Mutual Fund Flows." *Journal of Business* 78, no. 6: 2095–2119.

Barber, Brad M., Yi-Tsung Lee, Yu-Jane Liu, and Terrance Odean. "Just How Much Do Individual Investors Lose by Trading?" *The Review of Financial Studies* 22, no. 2: 609–32.

Baumeister, Roy F., Todd F. Heatherton, and Dianne M. Tice. 1994. *Losing Control: How and Why People Fail at Self-regulation*. San Diego: AcademicPress.

Benartzi, Shlomo, and Richard H. Thaler. 1999. "Risk Aversion or Myopia? Choices in Repeated Gambles and Retirement Investments." *Management Science* 45, no. 3: 364–81.

Additional Suggested Readings

Benartzi, Shlomo, and Richard H. Thaler. 2001. "Naïve Diversification Strategies in Defined Contribution Saving Plans." *American Economic Review* 91, no. 1: 79–98.

Benartzi, Shlomo, and Richard H. Thaler. 2003. "Using Behavioral Economics to Improve Diversification in 401(k) Plans: Solving the Company Stock Problem." Working paper, UCLA.

Benartzi, Shlomo, and Richard H. Thaler. 2007. "Heuristics and Biases in Retirement Savings Behavior." *Journal of Economic Perspectives* 21, no. 3: 81–104.

Benartzi, Shlomo. 2001. "Excessive Extrapolation and the Allocation of 401(k) Accounts to Company Stock?" *The Journal of Finance* 56, no 5, pp. 1747–64.

Benartzi, Shlomo. 2006. "Using Automatic Saving Increases Effectively." *401(K)Now* (Fall).

Benartzi, Shlomo. 2009. "How Much is Enough?" *401(k)Now* (Fall): 4–6.

Benartzi, Shlomo. 2010. "Time (mis)Allocation and Retirement Funds." *401(k)Now* (Winter).

Benartzi, Shlomo. 2011. *Behavioral Finance in Action*. Allianz Global Investors, Center for Behavioral Finance.

Additional Suggested Readings

Benartzi, Shlomo, Ehud Peleg, and Richard H. Thaler. Forthcoming. "Choice Architecture and Retirement Saving Plans," in *The Behavioral Foundations of Policy*, edited by Eldar Shafir. New York: Princeton University Press.

Beshears, John, James J. Choi, David Laibson, and Brigitte C. Madrian. 2009. "The Impact of Employer Matching on Savings Plan Participation under Automatic Enrollment." In *Research Findings in the Economics of Aging*, edited by D. A. Wise. University of Chicago Press.

Blascovich, Jim, and Jeremy N. Bailenson. 2011. *Infinite Reality*. William Morrow.

Browning, E. S. 2011. "Retiring Boomers Find 401(k) Plans Fall Short." *Wall Street Journal*, February 19.

Buda, Richard, and Yong Zhang. 2000. "Consumer Product Evaluation: The Interactive Effect of Message Framing, Presentation Order, and Source Credibility." *Journal of Product and Brand Management* 9, no. 4: 229–42.

Choi, James J., David Laibson and Brigitte C. Madrian. 2004. "Plan Design and 401(k) Savings Outcomes." *National Tax Journal* 57, pp 275–98.

Additional Suggested Readings

Deutschman, Alan. 2005. "Change or Die." *Fast Company* (May): 1.

Elton, Edwin J., Martin J. Gruber, and Christopher R. Blake. 2007. "Participant Reaction and the Performance of Funds Offered by 401(k) Plans." *Journal of Financial Intermediation* 16, no. 2: 240–71.

Engelhardt, Gary V., and Anil Kumar. 2003. "Understanding the Impact of Employer Matching on 401(k) Saving." *Research Dialogue* (TIAACREF Institute) no. 76 (June).

Ersner-Hershfield, Hal, M. Tess Garton, Kacey Ballard, Gregory R. Samanez-Larkin, and Brian Knutson. 2009. "Don't Stop Thinking about Tomorrow: Individual Differences in Future Self-continuity Account for Saving." *Judgment and Decision Making* 4, no. 4: 80–86.

Ersner-Hershfield, Hal, G. Elliott Wimmer, and Brian Knutson. 2009. "Saving for the Future Self: Neural Measures of the Future Self-continuity Predict Temporal Discounting." *SCAN* 4: 85–92

Even, William E., and David A. Macpherson. 2005. "The Effects of Employer Matching in 401(k) Plans." *Industrial Relations* 44: 525–49.

Additional Suggested Readings

Gawande, Atul. 2011. *The Checklist Manifesto: How to Get Things Right*. Picador.

Gneezy, Uri, Arie Kapteyn, and Jan Potters. 2003. "Evaluation Periods and Asset Prices in a Market Experiment." *The Journal of Finance* 57, no. 2: 821–37.

Gneezy, Uri, and Jan Potters. 1997. "An Experiment on Risk Taking and Evaluation Periods." *The Quarterly Journal of Economics* 112, no, 2: 631–45.

Goda, Gopi Shah, Colleen Flaherty Manchester, and Aaron Sojourner. 2011. "What's My Account Really Worth?" Working paper, Rand Corporation, WR-873

Goyal, Amit, and Sunil Wahal. 2008. "The Selection and Termination of Investment Management Firms by Plan Sponsors." *The Journal of Finance* 63, no. 4: 1805–47.

Haigh, Michael S., and John A. List. 2005. "Do Professional Traders Exhibit Myopic Loss Aversion?" *The Journal of Finance* 60, no. 1: 523–34.

Hershfield, Hal. 2011. "Future Self-continuity: How Conceptions of the Future Self Transform Intertemporal Choice." *Annals of the New York Academy of Science* 1,235: 30–45.

Additional Suggested Readings

Hershfield, Hal, Daniel G. Goldstein, William F. Sharpe, Jesse Fox, Leo Yeykelis, Laura L. Carstensen, and Jeremey N. Bailenson. 2011. "Increasing Saving Behavior through Age-progressed Renderings of the Future Self." Special issue, *Journal of Marketing Research* 48: S23–S37.

Iyengar, Sheena. 2011. *The Art of Choosing*. Abacus Books.

Iyengar, Sheena S., G. Huberman, and W. Jiang. 2004. "How Much Choice Is Too Much: Determinants of Individual Contributions in 401K Retirement Plans." In *Pension Design and Structure: New Lessons from Behavioral Finance*, edited by Olivia S. Mitchell and Stephen P. Utkus. Oxford University Press.

Iyengar, Sheena S., and Emir Kamenica. 2010. "Choice Proliferation, Simplicity Seeking, and Asset Allocation." *Journal of Public Economics* 94, no. 7/8: 530–39.

Kahneman, Daniel. 2003. "Maps of Bounded Rationality: Psychology for Behavioral Economics." *The American Economic Review* 93, no. 5: 1449–75.

Kahneman, Daniel. 2011. *Thinking, Fast and Slow*. Farrar, Straus and Giroux.

Additional Suggested Readings

Kahneman, Daniel, Jack L. Knetsch, and Richard H. Thaler. 1986. "Fairness and the Assumptions of Economics." *The Journal of Business* 59, no. 4: S285–S300.

Kahneman, Daniel, Jack L. Knetsch, and Richard H. Thaler. 1986. "Fairness as a Constraint on Profit Seeking." *American Economic Review* 76:728–41.

Kahneman, Daniel, Peter P. Wakker, and Rakesh Sarin. 1997. "Back to Bentham? Explorations of Experienced Utility." *The Quarterly Journal of Economics* 112: 375–405.

Kaplanski, Guy, and Haim Levy. 2010. "Sentiment and Stock Prices: The Case of Aviation Disasters." *Journal of Financial Economics* 95: 174–201.

Koster, Kathleen. 2009. "Trying to Avoid Bad News and Confusion, Many Participants Leave 401(k) Statement Unopened." *Employee Benefit News* (April 15).

Lehrer, Jonah. 2009. "Don't." *The New Yorker* (May 18).

Levitt, Steven D., and John A. List. 2008. "Homo Economicus Evolves." *Science* 319: 909–10.

List, John A. 2004. "Neoclassical Theory versus Prospect Theory: Evidence from the Marketplace." *Econometrica* 72: 615–25.

Additional Suggested Readings

Lohse, Gerald. 1997. "Consumer Eye Movement Patterns on Yellow Pages Advertising." *Journal of Advertising* 26, no. 1: 61–73.

Loewenstein, George. 1996. "Out of Control: Visceral Influences on Behavior." *Organizational Behavior and Human Decision Processes* 65, no.3: 272–92.

Madrian, Brigitte C., and Dennis F. Shea. 2001. "The Power of Suggestion: Inertia in 401(k) Participation and Savings Behavior." *The Quarterly Journal of Economics* 116, no. 4: 1149–87.

Miller, George A. 1956. "The Magical Number Seven, Plus or Minus Two: Some Limits on Our Capacity for Processing Information." *Psychological Review* 63: 81–95.

Mitchell, Olivia S., and Stephen P. Utkus. 2004. "The Role of Company Stock in Defined Contribution Plans," in *The Pension Challenge: Risk Transfers and Retirement Income Security*, edited by Olivia Mitchell and Kent Smetters. Oxford University Press.

Nenkov, Gergana Y., J. Jeffrey Inman, and John Hulland. 2008. "Considering the Future: The Conceptualization and Measurement of Elaboration on Potential Outcomes." *Journal of Consumer Research* 35:126–41.

Additional Suggested Readings

Parfit, Derek. 1971. "Personal Identity." *Philosophical Review* 80, no. 1:3–27.

Parfit, Derek. 1987. *Reasons and Persons*. Oxford: Clarendon Press.

Pope, Devin C., and Maurice E. Schweitzer. 2011. "Is Tiger Woods Loss Averse? Persistent Bias in the Face of Experience, Competition, and High Stakes." *American Economic Review* 101 (February): 129–57.

Pozen, Bob. 2009. "Can We Break the Tyranny of Quarterly Results?" HBR Blog Network. http://blogs.hbr.org/hbr/restoring-americancompetitiveness/2009/10/can-we-break-the-tyranny-of-qu.html

Samuelson, William, and Richard J. Zeckhauser. 1988. "Status Quo Bias in Decision Making." *Journal of Risk and Uncertainty* 1 (March): 7–59.

Schwarz, Norbert. 2005. "When Thinking Feels Difficult: Meta-cognitive Experiences in Judgment and Decision Making." *Medical DecisionMaking* 25, no. 1: 105–12.

Shafir, Eldar, Peter Diamond, and Amos Tversky. 1997. "Money Illusion." *Quarterly Journal of Economics* 112, no. 2: 341–74.

Additional Suggested Readings

Slovic, Paul. 1972. "From Shakespeare to Simon: Speculation—and Some Evidence—about Man's Ability to Process Information." *Oregon Research Institute Bulletin* 12, no. 3: 1–29.

Stanovich, Keith E., and Richard F. West. 2000. "Individual Differences in Reasoning: Implications for the Rationality Debate." *Behavioral and Brain Sciences* 23, no. 5: 645–65.

Tang, Ning, Olivia S. Mitchell, Gary R. Mottola, and Stephen P. Utkus. 2010. "The Efficiency of Sponsor and Participant Portfolio Choices in 401(k) Plans," IRM WP2009-14 Insurance and Risk Management Working Paper.

Tergesen, Anne. 2011. "401(k) Law Suppresses Saving for Retirement." *Wall Street Journal*, July 7.

Thaler, Richard H., and Hersh M. Shefrin. 1981. "An Economic Theory of Self-Control." *Journal of Political Economy* 89: 392–406.

Thaler, Richard H., and Cass R. Sunstein. 2009. *Nudge: Improving Decisions About Health, Wealth, and Happiness.* New York: Penguin.

Thaler, Richard H., Amos Tversky, Daniel Kahneman, and Alan Schwartz. 1997. "The Effect of Myopia and Loss Aversion on Risk Taking: An Experimental Test." *The Quarterly Journal of Economics* 112, no. 2: 647–61.

Additional Suggested Readings

TIAA-CREF. 2011. "Rethinking Defined Contribution Plan Design: A Survey of Experts." *Trends and Issues* (August).

Yee, Nick, and Jeremy Bailesnon. 2007. "The Proteus Effect: The Effect of Transformed Self-representation on Behavior." *Human Communication Research* 33: 271–90.

Zweig, Jason. 1998. "How the Big Brains Invest at TIAA-CREF." *Money* (January): 118.

Zweig, Jason. 2011. "Meet 'Future You.' Like What You See?" *Wall Street Journal*, March 26.

This presentation is based on *Save More Tomorrow: Practical Behavioral Finance Solutions to Improve 401(k)* Plans by Shlomo Benartzi with Roger Lewin. *Save More Tomorrow* is the first book from the Allianz Global Investors Center for Behavioral Finance. The Center was founded in 2010 to turn academic insights into actionable ideas and practical tools for use by financial advisors, plan sponsors and investors.

Professor Benartzi, the Center's Chief Behavioral Economist, is a leading authority on behavioral finance and is professor and co-chair of the Behavioral Decision-Making Group at The Anderson School at UCLA.

For more information about the Center for Behavioral Finance, visit befi.allianzgi.com.

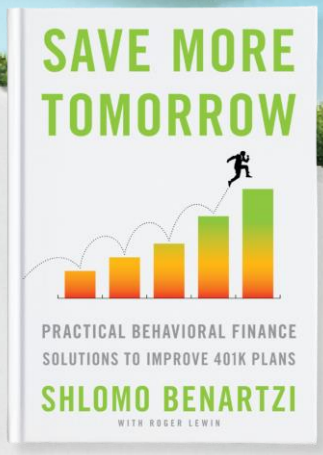
Save More Tomorrow was published by Portfolio/Penguin (New York, 2012)

Past performance is no guarantee of future results. The principles and strategies suggested do not constitute legal advice and do not address the legal issues associated with implementing any recommendations, or associated with establishing or amending employee benefit plans. There are many legal and other considerations plan sponsors and plan fiduciaries should consider prior to adopting any of the above recommendations, and legal counsel should be consulted to ensure compliance with the law.

Allianz Global Investors Distributors LLC, 1633 Broadway, New York, NY 10019-7585

AGI-2012-11-26-5104

2015 NIPA Annual Forum & Expo (2015NAFE)



National Institute of Pension Administrators

Practical Behavioral Finance - Solution to Improve 401(k) Plans

Presented by

Svetlana Gherzi, PhD

Behavioral Economist, Allianz Global Investors Center for Behavioral Finance

New Relationships. New Ideas. New Look. *A New Way to Look at NIPA*