

The ESRC Network for Integrated Behavioural Science is a partnership among the Universities of Nottingham, Warwick, and East Anglia. Visit us online at <http://www.behavioural-science.ac.uk>

NIBS Spring Workshop

The ESRC Network for Integrated Behavioural Science (NIBS) held its first public-facing workshop from 6 to 8 May 2014. The theme of the workshop was individual and household financial decision-making and behaviour in financial markets.

The event was keynoted by two excellent plenary speakers. On Tuesday, **George Loewenstein**, Professor of Economics and Psychology from the Department of Social and Decision Sciences at Carnegie Mellon University, presented 'Behavioral Economics and Privacy'. Wednesday's plenary talk, 'Laboratory Explorations and Field Applications in Time and Risk', was given by **Charles Sprenger**, Assistant Professor of Economics, at Stanford University.

A further 19 presentations on topics ranging from 'financial literacy and mortgage choice' to 'framing effects in an employee savings scheme' rounded out the event.

Chris Starmer, Director of NIBS says; 'I'd like to thank both George and Charles for visiting Nottingham and engaging with our Network. They both gave excellent talks and it's a huge credit to NIBS that we were able to attract such world-renowned speakers to our first public event'.

This will be the first in a series of conferences to take place annually in the spring. Each conference will spotlight one of the main NIBS research themes. Planning is already underway for the 2015 event. We will announce the theme and dates in the near future.

PhD Workshop, Development Economics

On 31 May, UEA held its second PhD workshop, 'Experimental Development Economics: Lab in the Field.' The workshop (sponsored by NIBS) combined student presentations and interaction with topical lectures by senior researchers. Erwin Bulte, Professor of Development Economics at Wageningen University, provided the keynote talk.

Students came from across the globe, including Nigeria, Egypt, Czech Republic, Germany, Switzerland, and Belgium, as well as from up and down the UK, including LSE, UCL, Nottingham, Royal Holloway, Sussex, Exeter, and Kent.

New Post Docs for NIBS

After another round of recruiting, we are pleased to announce that Jörg Weber has agreed to join the NIBS team of Post Docs based at Nottingham, and Francesco Fallucchi will take up a Post Doc position at UEA.

Francesco has just successfully defended his PhD dissertation, in which he has contributed to the understanding of competitive behaviour in contests. The first chapter of his dissertation has already appeared in *European Economic Review*.

Jörg and Francesco will join the existing team of NIBS Post Docs – these are Emily Wyman, Dennie van Dolder, Gerardo Infante, Timothy Mullett, Sudeep Bhatia and Felix Kölle.

Publications

John Gathergood and **Jörg Weber** have a forthcoming publication in the [Journal of Economic Behavior & Organization](#).

'Self-Control, Financial Literacy & the Co-Holding Puzzle' uses UK survey data to analyse the puzzling co-existence of high cost revolving consumer credit alongside low yield liquid savings in household balance sheets, which they name the 'co-holding puzzle'.

Approximately 12% of households in their sample co-hold, on average, £3,800 of revolving consumer credit on which they incur interest charges, even though they could immediately pay down all this debt using their liquid assets. Co-holders are typically more financially literate, with above average income and education. In most estimates co-holding is also associated with impulsive spending behaviour on the part of the household and their results provide empirical support to theoretical models in which households co-hold as a means of managing self-control problems.

Enrique Fatas, **Ernan Haruvy**, and **Antonio J Morales** undertake 'A psychological re-examination of the Bertrand paradox' in the [Southern Economic Journal](#).

The Bertrand paradox describes a situation in which two competing firms reach an outcome where both price at marginal cost. In laboratory experiments, this equilibrium is not generally observed. Existing empirical works on Bertrand competition have found evidence for boundedly-rational models. They find that such models are useful in organising behaviour in early stages of the game, but less so in later stages. They show that a new model, coarse grid Nash equilibrium, based on the assumption that subjects discretize the strategy space, explains the data better.

Visit the NIBS website for a full [list of research publications by Network investigators](#).

NIBS Annual Report

In April we presented our first [NIBS Annual Report](#)* to our funders (ESRC). We were delighted to receive a positive response to the report and were proud to have exceeded many of our targets for the year. For example, we produced 35 conference papers (including presentations) against a target of 12 and 18 academic journal papers against a target of 8.

The report also highlighted achievements in our research progress, the impact of our research, knowledge exchange and international collaboration. We expect to significantly expand our links with international partners over the next year as our exchange programme develops.

*The Annual Report is available on the NIBS Workspace area for those with access.

New Advisory Group Members

We are delighted to welcome new members to our Advisory Group. The Group includes external academic advisors and affiliate members invited to represent business, industry, media and government. They advise on and review the research strategy.

Our current members are:

Alexandra Chesterfield and Matthew Oakley (joint members) - Which?

Andrew Colman - University of Leicester

Ian Bateman - University of East Anglia

Stavros Georgiou - Health and Safety Executive

Daniel Hausman - University of Wisconsin-Madison

Stefan Hunt - Financial Conduct Authority

Michael Jones-Lee - Newcastle University

Julian Le Grand - London School of Economics

Osama Rahman - Ministry of Justice

Michael Spackman - NERA Economic Consulting

Albert Weale - University College London