

SIFR Conference on
**Household Finance: Financial Innovation for the
Household Sector**

At Clarion Hotel Sign in Stockholm, August 17, 2011

Funded by the Torsten Söderberg Foundation

The Institute for Financial Research (SIFR) is pleased to invite interested academics and practitioners to a conference on “Household Finance - Financial Innovation for the Household Sector” on August 17, 2011, in Stockholm. The conference is open to practitioners, policy-makers, journalists, and researchers interested in household finance.

Conference focus:

Households are facing unprecedented challenges in managing their finances. The aging world population is forcing governments to move towards defined contribution pension systems that require households to be fully in charge of their pension savings. At the same time household indebtedness has increased dramatically. Are households ready to invest sufficiently and wisely to finance their retirement income? Are they aware of the interest rate and bankruptcy risk they take? Does the financial industry offer products that facilitate saving for retirement or effective interest rate management?

Recent studies on the finances of households show that individuals may deviate quite substantially from the recommendations implied by even the most basic financial theories suggesting that households need to be helped in taking financial decisions. Yet financial innovation driven by household needs seems to be slow or at least suboptimal compared to other financial markets and to product innovation of other sectors.

The main goal of the conference is to promote our understanding of the demand and supply side of financial innovation for the household sector. Questions that will be discussed include:

- What mistakes or biases are most harmful to household finances?
- Is financial innovation for households slow and suboptimal and, if so, why?
- Which products should be introduced to help households taking sound financial decisions?
- Are financial markets functioning in the interest of households and, if not, how should they be regulated?
- Are pension systems designed optimally?

Featured presenters and panelists:

The conference is open to practitioners, policy-makers, journalists, and researchers interested in household finance and will feature key-note presentations by the following leading scholars in the field:

John Y. Campbell, Harvard University
Michael Haliassos, Goethe University of Frankfurt
Brigitte C. Madrian, Harvard Kennedy School
Robert C. Merton, Massachusetts Institute of Technology

The presentations will be followed by a panel debate, where panelists include

Lars Frisell, Chief Economist at the Swedish Financial Supervisory Authority

Ronald Janssen, Managing Director, Ortec Finance

Peter Norman, Sweden's Minister for Financial Markets

Per-Olof Söderberg, Chairman, Söderberg & Partners

For bios see www.sifr.org/conferences.

The conference will be followed by an academic program on Household Finance research August 18-19, which is part of the European Finance Association (EFA) Annual Meeting in Stockholm. See <https://fisher.osu.edu/blogs/efa2011/program/academic-program> for details.

Registration

There is no registration fee for the conference on August 17. However, participation is limited; and therefore, we suggest that you e-mail anki.helmer@sifr.org as soon as possible, and no later than **August 1**, to ensure participation. Please include your contact details.

For further information about the program and practical information, please see www.sifr.org, or contact the organization committee (Paolo Sodini at paolo.sodini@hhs.se, or Per Strömberg at per.stromberg@sifr.org).

Those who wish to attend the academic program on August 18-19 will need to register separately at <https://fisher.osu.edu/blogs/efa2011/registration>.

Conference Program, Wednesday, August 17, 2011

Clarion Hotel Sign, Norra Bantorget, Stockholm

08:30 Coffee and welcome.

09:00-12:30 Presentation: John Y. Campbell, Harvard University: *"Making Financial Markets Work for Consumers"*.

Presentation: Michael Haliassos, Goethe University of Frankfurt: *"Household Finance, Financial Innovation, and Economic Crisis"*.

Coffee.

Presentation: Brigitte C. Madrian, Harvard Kennedy School: *"Behavioral Economics and Individual Savings Behavior"*.

12:30-14:00 Lunch

14:00-16:30 Presentation: Robert C. Merton, Massachusetts Institute of Technology: *"Financial Innovation in Household Finance: A Next-Generation Solution for Funding Retirement"*.

Coffee

Panel Discussion: *"How can we improve household financial decisions?"*

Panelists: Lars Frisell (Swedish Financial Supervisory Authority), Ronald Janssen (Ortec Finance), Peter Norman (Minister of Financial Markets), and Per-Olof Söderberg (Söderberg & Partners)

Concluding remarks.