

**Date of the event:**

On Thursday 17<sup>th</sup> February 2011  
From 01:00 PM to 2:00 PM

**Location:**

Luxembourg School of Finance  
University of Luxembourg  
4 Rue Albert Borschette  
2<sup>nd</sup> Floor  
Modigliani Miller Auditorium (E02-003)  
L-1246 Luxembourg

**Registrations:**

- Free seminar (with lunch included)
- Registrations by email before February 14th, 2011
- At the following address : [lsf-events@uni.lu](mailto:lsf-events@uni.lu)

**Information:**

Ms Caroline Herfroy  
Tel : +352 46 66 44 6335

<http://www.lsf.lu/eng/Research/Seminars-and-Workshops>



The LSF is pleased to invite you to the following lunch seminar:

***Relating Risk Attitude and Time Preference to Consumer Behavior***

*By Professor Mei Wang*  
*WHU-Otto Beisheim School of Management, Germany*

**Thursday 17<sup>th</sup> February 2011**  
**From 01:00 PM to 2:00 PM**



# ***Relating Risk Attitude and Time Preference to Consumer Behavior***

***By Mei Wang***

The **Luxembourg School of Finance**

Is pleased to invite you to the

**LSF Seminar**

In this study investors' risk and time preferences are measured in an experimental setting with real decisions and monetary incentives depending on these decisions. Risk attitudes as elicited by binary lottery choices, as well as time preferences investigated through tradeoffs in the future, are related to the individuals' behaviour in daily financial matters.

Our sample consists of 161 adults up to 84 years old in Switzerland, heterogeneous in their socio-demographic background, where students serve as a control group.

It is found that both risk and time preferences deviate from traditional theory and vary considerably between groups of individuals. Furthermore risk and time parameters are systematically correlated to financial behaviour: Risk is linked to future provision and spending, time-types adapt to a whole classification over a range of financial behaviours.

Results were controlled for characteristics such as socio-demographics (including gender, age, income) and financial experience. In summary, the results provide new insights into private individuals' risk and time preferences and reveal evidence for interrelations between time, risk and behaviour in daily financial affairs.

