

Does Hard Work Pay Off in the Long Run? The Case for Savings Nudges



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Abstract

Conscientiousness is the most predictive of the Big Five traits in a whole host of relevant life domains. Conscientious individuals experience a multitude of positive benefits including: increased life spans, more invested social lives, improved performance in education, more successful careers and greater lifetime income. The current paper explores the rarely studied relationship between conscientiousness and the propensity to save for retirement. The study shows that conscientious individuals are in fact more likely to save for retirement. The study also discusses the savings problem from a behavioral standpoint and evaluates current strategies to combat the issue, focusing on personality interventions aimed at increasing conscientiousness, financial literacy, and behavioral economic nudges.