

Decision importance as a Cue for Deferral

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People often defer choice....

skyscanner

vliegtickets hotels autoverhuur

Amsterdam (AMS) ► Chicago (Alle)
1 x 1 | Economy

18-11-2015 24-12-2015

Economy class Er kunnen extra bagagekosten in rekening worden gebracht

Krijg prijsalarmen

604 van 901 resultaten (alles weergeven) Sorteren op Prijs per volwassene

Tussentops	Directe	1 tussenstop	2+ tussenstops	Vertrektijden	Heen	Terug	Reisduur
Geen	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>		00:00 – 23:59	00:00 – 23:59	10.5 uur – 39.5 uur

United	Price	Details
09:15 AMS → 18:13 ORD 15u 58 2 tussenstops EWR, CLE	€ 877 Ga naar site United	Gedeeltelijk uitgevoerd door Expressjet DBA United Express
18:10 ORD → 13:35 (+1) AMS 12u 25 1 tussenstop FRA	live	Gedeeltelijk uitgevoerd door Lufthansa

KLM	Price	Details
12:40 AMS → 14:30 ORD 8u 50 Directe	€ 880 Ga naar site Tripsta	Uitgevoerd door Delta
14:30 ORD → 10:50 (+1) AMS 13u 20 1 tussenstop ATL	live	Of boek via: Supersaver € 883 Gate1.nl € 893 Tripair.nl € 893 BudgetAir € 895 Vliegtarieven.nl € 902 ebookers € 903 KILROY € 908 Airtickets24 € 936 KLM

KLM	Price	Details
12:40 → 14:30	€ 883	

Retirement saving



Ultimate guide to retirement

When should I start saving for retirement?

Next

Getting started

When should I start saving?

- When should I start saving for retirement?
- Where should I save my retirement money?

The answer is simple: as soon as you can. Ideally, you'd start saving in your 20s, when you first leave school and begin earning paychecks. That's because the sooner you begin saving, the more time your money has to grow. Each year's gains can generate their own gains the next year - a powerful wealth-building phenomenon known as compounding.

Strategy: 'Make it important'

SMART401K
Retirement Investing Basics

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Advanced Investing Financial Outlook Resource

Resource Center > Retirement Investing Basics > Importance of Saving for Retirement

Importance of Saving for Retirement

People's retirement needs vary greatly, but everyone will have basic expenditures: home maintenance or rent, transportation, medical care and living expenses. Many Americans hope to be able to travel, golf, eat out and make big-ticket purchases during retirement.

In order to pay for life during your retirement – and maybe have some fun along the way – you will need a source of income. You will need to set money aside now, and allow that money to grow, in order to reach your retirement goals.

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Top 4 Reasons To Save For Retirement Now

By Denise Appleby

There are dozens of excuses that people use for not saving for retirement. And they all sound good. In fact, you probably have a few of your own. Rather than add fuel to the fire, in this article, we'll give you four reasons why you should save for retirement.

Excuses Vs. Reasons

Excuses are just justification for not doing what we know we should be doing or should have done. Therefore, you should save for retirement because:

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Understanding pensions

Why is saving for retirement important?

- ▶ Why is saving for retirement important?
- ▶ Why save in a pension?
- ▶ NICE Pensions
- ▶ The State Pension
- ▶ Choosing the right pension for you
- ▶ Tax relief

Thinking about retirement

- You could live for around 25 years in retirement
- You may spend more time at home so bills like heating could go up
- The Basic State Pension is currently only £115.95 a week for a single person (if you qualify for the full amount)

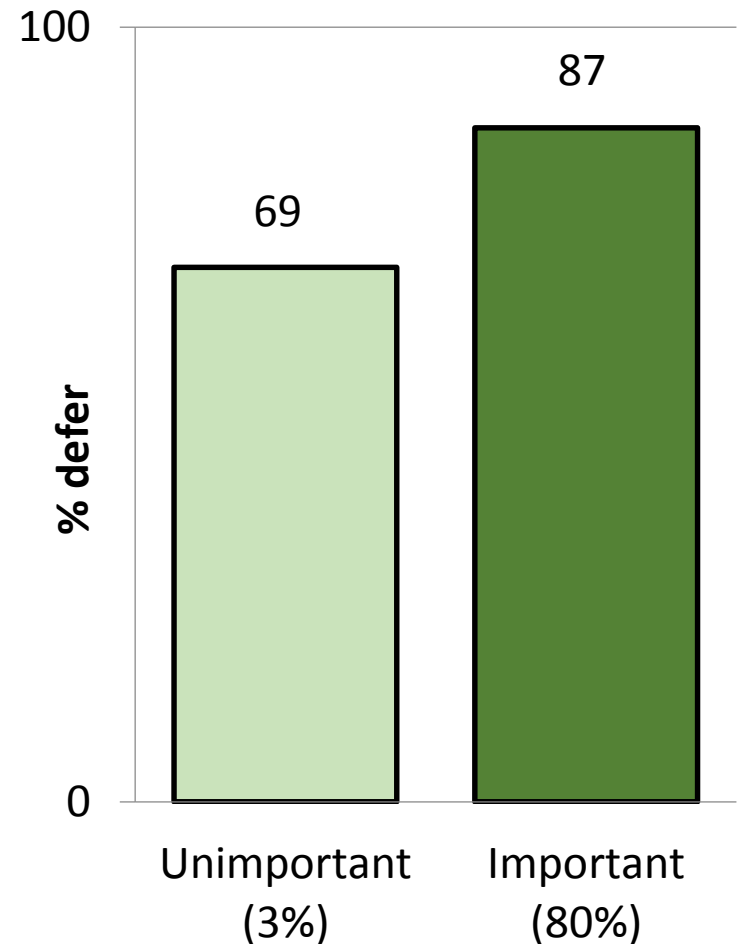
This might backfire...

...by causing deferral.

Experiment 1: Deferral of Important Decisions

“Imagine that you receive a letter from your employer. There are some attractive possibilities to save more for your retirement. On the next page you are going to make a decision about the available retirement plans. This decision will affect about 80% [3%] of your income during retirement.”

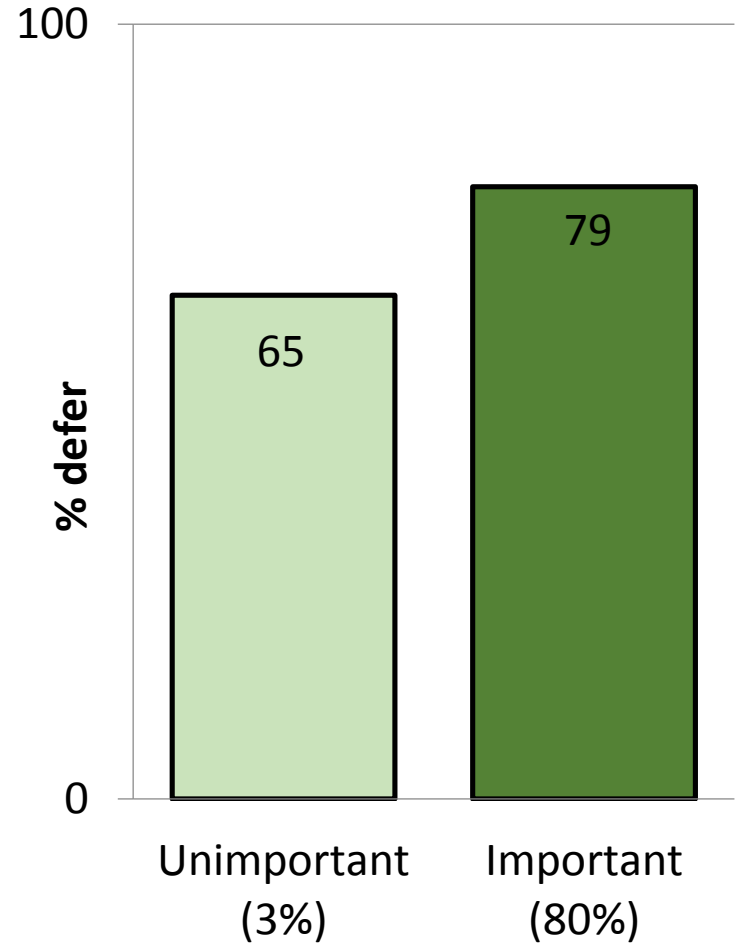
“You could now either choose to participate in Plan A by checking a box and returning the letter, or you could look for more information on a website and decide later. What would you do in this situation?”



$$\chi^2 (200) = 9.44, p = .002$$

Experiment 2: Deferral and Flexibility

“You can switch between plans or quit at any time.”



$\chi^2 (302) = 7.58, p = .006$

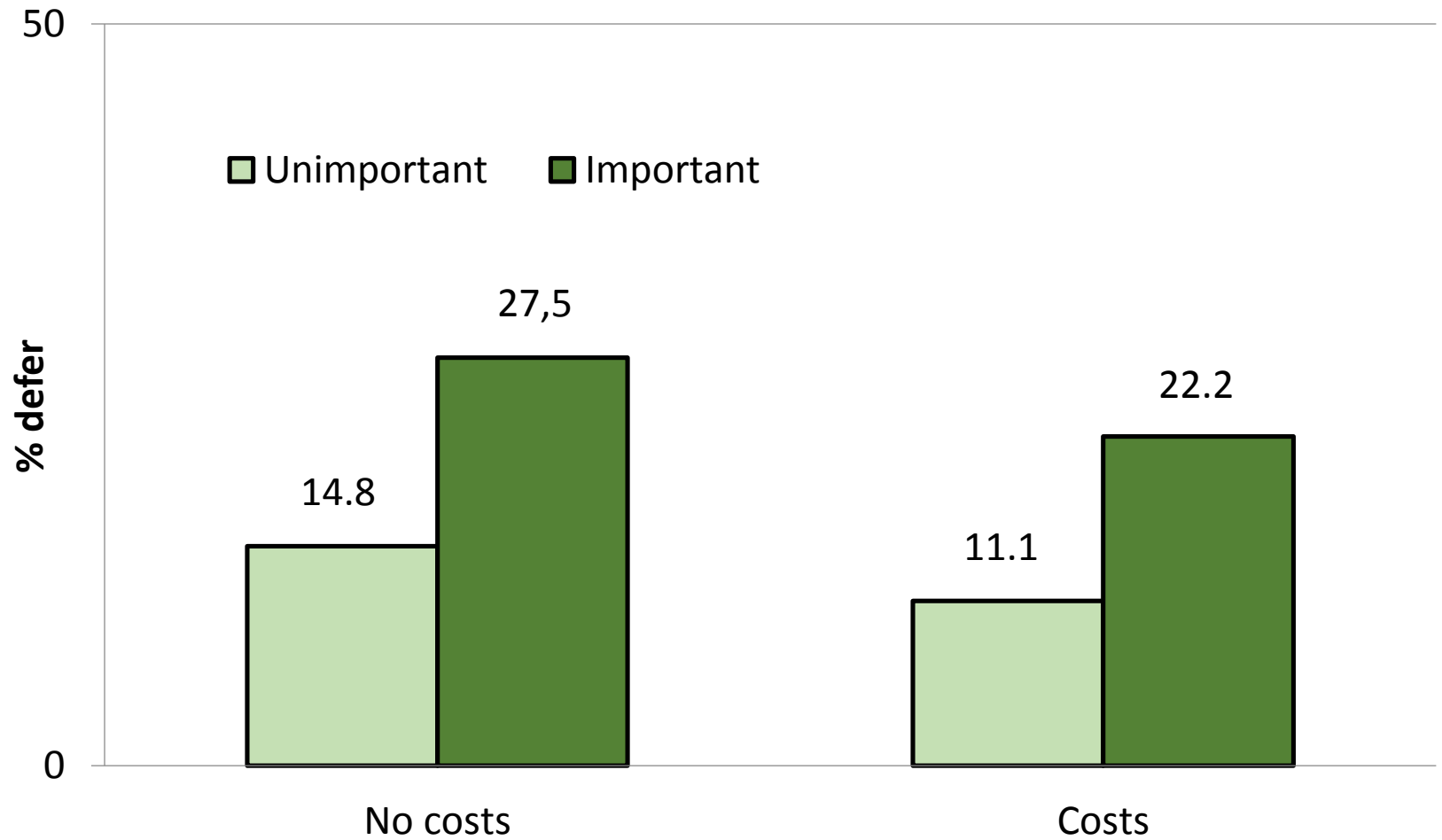
Experiment 3: Costly Deferral

“(...) you know that the choice between courses is not very important [extremely important] for your career. This decision has almost no impact [a huge impact] on your future.”

*“Below are the three available courses with all the relevant pros and cons. **There are no other options and you know that there is no other information available.**”*

*“You can either decide right away and enroll in one of these three courses immediately, or you can wait and enroll in one of these courses next month. **Only if you enroll immediately, you will get a \$20 discount.**”*

Experiment 3: Costly Deferral



N = 323

To summarize

People defer important decisions more.....

.....independent of choice set composition

.....when flexibility is retained after choice

.....when deferral may lead to loss of options*

.....when deferral is 'non-instrumental'

.....when deferral is financially costly

People use decision importance as a cue for deferral

“People defer a decision *in spite of its importance.*”

People defer a decision *because of its importance.*

“Why should I care?”

Krijnen, J. M. T., Zeelenberg, M., & Breugelmans, S. M. (2015).
Decision importance as a cue for deferral.
Judgment and Decision Making, 10(5), 407-415.

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