



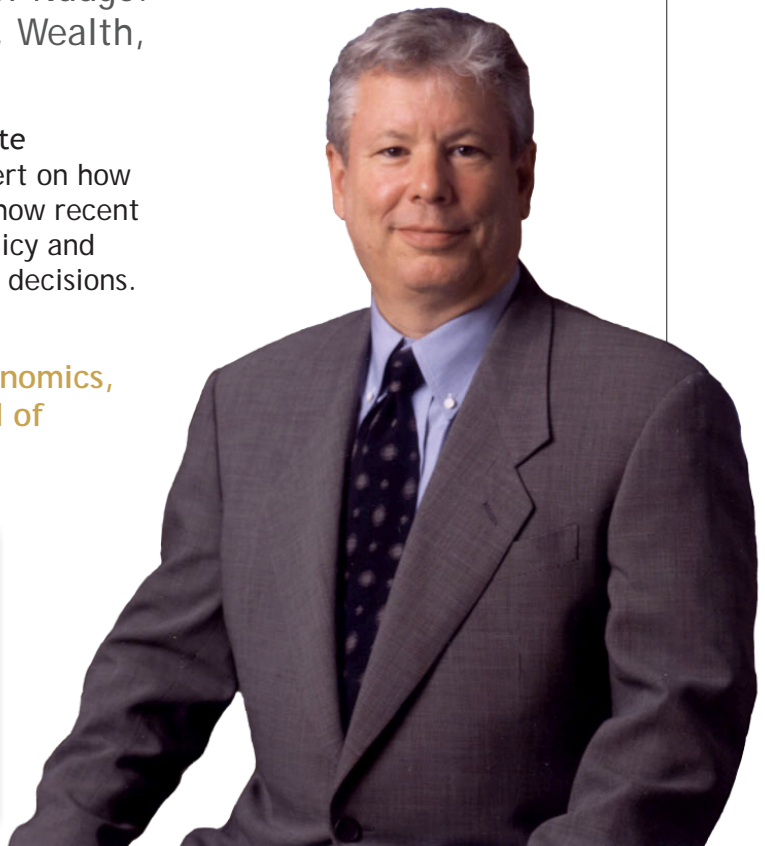
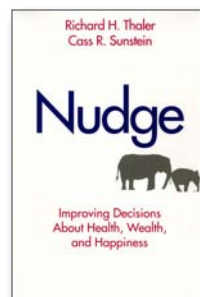
**Small and apparently insignificant details can have major impacts on people's behavior.**

## Richard Thaler

□ *One of the field-defining pioneers of behavioral economics. Coauthor of Nudge: Improving Decisions About Health, Wealth, and Happiness.* □

One of the very first researchers to integrate psychological insights into economics. Expert on how emotions and thinking affect markets and how recent behavioral research can improve public policy and help people and organizations make better decisions. Coauthor (with Cass Sunstein), *Nudge*.

Professor of Behavioral Science & Economics, University of Chicago Graduate School of Business.



# Ahead of the Curve

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## Highlights

Richard Thaler is one of the two researchers credited with the original **groundbreaking work in behavioral economics**—the study of how thinking and emotions affect **individual economic decisions** and the **behavior of markets**.

Markets often don't behave as traditional economists describe them and people often don't make sense when they make economic decisions. The reason is human psychology. The explanation is behavioral economics. The expert is Richard Thaler.

**The solution is a Nudge**, which Thaler calls 'libertarian paternalism'—using noncoercive **policies that try to make people better off** (as judged by themselves) without restricting their freedom of choice—using recent research in human behavior to improve human decisions.

Richard's book *Nudge: Improving Decisions About Health, Wealth, and Happiness* shows that you can design environments that make it more likely for people to act in their own interests. This is an invaluable message **for business** and **public policy makers**.

Richard Thaler is Robert P. Gwinn Professor of Behavioral Science and Economics and Director of the Center for Decision Research at the University of Chicago's Graduate School of Business.

Daniel Kahneman, who won the Nobel Prize for his work in behavioral economics, credited Thaler with doing most of the integration of psychology into economics for which Kahneman, in addition to his own contributions, was honored.

**A nudge is any aspect of the choice architecture that alters people's behavior in a predictable way without forbidding any options or significantly changing their economic incentives. Nudges are not mandates. Putting the fruit at eye level counts as a nudge. Banning junk food does not.**

## Nudge

In *Nudge*, Richard Thaler shows businesses and policy makers how to **use the way we really think to improve our decisions** about **health, wealth and happiness**...because people often do not make decisions that are in their best interests. A nudge can make all the difference—setting up the decision so that they *do* act in their best interest, *without* interfering with their freedom of choice.

Policy makers in business and government set up 'decision architectures' all the time, environments in which people have to make a choice. Richard explains why and how the arrangement should be designed to make people better off. He focuses on three main areas:

**money**—how to do a better job of saving, investing and borrowing and nudge people toward wealth and security;

**health**—how to improve prescription drug plans, organ donation and environmental protection;

**freedom**—how to improve choices in education, increase the ability of patients and doctors to contract with each other, and gett government out of the marriage business.

## • Credentials

- Robert P. Gwinn Professor of Behavioral Science and Economics, Director of the Center for Decision Research, Graduate School of Business, University of Chicago
- Research Associate, National Bureau of Economic Research
- Co-director (with Robert Shiller) of the Behavioral Economics Project; funded by the Russell Sage Foundation
- Cofounder, Fuller & Thaler Asset Management, Inc.

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