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AIB to fund Chair in Behavioural Economics at University College Dublin

AIB today announced it is to fund the first Irish Chair in Behavioural Economics as part of the bank's investment partnership with University College Dublin.

The AIB Chair in Behavioural Economics involves the appointment of a Professor to the UCD School of Economics and the UCD Geary Institute for Public Policy. The position has already been advertised and is expected to be filled later this year.

The initiative also involves the recruitment of a post-doctoral fellow, the development of a programme of research, the establishment of a Masters Programme in 2017 and the creation of a new UCD-AIB Behavioural Economics Laboratory at UCD's campus in Belfield.

Popularised in books such as *Freakonomics* and *Nudge*¹, behavioural economics applies insights from psychology and other disciplines to generate models of economic behaviour that are more realistic than those associated with traditional economic theory. In particular, behavioural economics focuses on the processes and contexts of decision-making and choice. The research has a wide range of applications providing insight into how and why people make key decisions in areas such as personal finances, health and exercise and energy usage. For example, research on behavioural economics has led to reforms in the way pension systems are designed in many countries, with an increased focus on auto-enrolment into pension schemes rather than relying on people taking a decision themselves to start a pension.²

AIB Chief Executive Officer Bernard Byrne said: "AIB is delighted to support this important initiative at UCD. We believe behavioural economics can help provide insight to aid in solving key problems facing the economy and society. At a national level it can assist governments in designing policy levers to encourage more progressive and efficient outcomes. For individuals, it helps businesses really understand how best they can serve their customers' real needs."

UCD President, Professor Andrew Deeks, said: "The establishment of Ireland's first Chair in Behavioural Economics is a significant step in UCD's long-standing collaborative partnership with AIB. Together, through this partnership, we aim to foster our capabilities in the areas of economic and educational development."

The appointment of the Chair in Behavioural Economics is part of a wider seven-year partnership and innovation initiative between AIB and UCD, announced in September 2014. The aim of the partnership is to support expertise and scholarship to improve the economic and social well-being of the country.

-ENDS-

Notes to Editors:

¹*Nudge: Improving Decisions About Health, Wealth, and Happiness* by Richard H. Thaler and Cass R. Sunstein and *Freakonomics: A Rogue Economist Explores the Hidden Side of Everything* by Steven Levitt and Stephen J. Dubner.

² See the Financial Times, "The psychology of saving". <https://next.ft.com/content/9c6ef418-19e7-11e5-a130-2e7db721f996>

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