SCION MASTERY

SHOW ME THE MONEY!

ABSTRACT

"According to an experiment conducted by Dan at Duke University, the link between the IQ and general development of a 4-year-old child shows that those whose parents opened a college account and placed there $500.00 as a starting point for their child's college education from the moment they were born, possessed a distinctly higher IQ and level of maturity."

Dan Ariely's fantastic talk "*Irrational Behaviour and Money*" that I was privileged to attend yesterday evening in London, provided the audience with a number of subtle yet very important points on securing our future as a progressive society able to enjoy life!

1- According to an experiment conducted by Dan at Duke University, the link between the IQ and general development of a 4-year-old child shows that those whose parents opened a college account and placed there $500.00 as a starting point for their child's college education from the moment they were born, possessed a distinctly higher IQ and level of maturity. Herein, it is not so much the natural difference and uniqueness incarnate within each child (nor could a child possibly be aware or understand the meaning of such a sum), but in how each parent should treat their child with but a key thought in mind - that their child is going to go to University no matter what, that is of significance! With this act of having placed a portion of money aside, the parents do in fact subconsciously incentivise and encourage themselves to read more to their children, to take them more often to museums and to search for a nanny with a sound level of academic knowledge, rather than a simple babysitter there to ensure only that their child is safe and fed.

2- Children have as much power as a 10% - 20% financial incentive on doing something good for the future of one's family (such as saving). In talking through a past experiment, Dan showed how the very recording of a child's voice asking their parents to make provisions for their future, mirrored the impulse to save for a simple rainy day!

Yet children still command less influence concerning financial habits than visual family pride alone and the very concrete acknowledgements that one receives of having done something positive for their family's general future

3- During the Q/A session, a very interesting question was posed by a member of the audience; "How can we make ourselves as humans act in a more sustainable way? To save the planet for future generations, to treat nature in a responsible manner?"

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Whilst it is admittedly impossible for the majority of us to truly comprehend the catastrophic consequences that have been engendered by global warming thus far, with any thought of an environmental apocalypse far too removed for the individual to absorb, feeling, therein, no more than a negligible spur to give up on smoking, eating meat or saving water….all this may still, nonetheless, one day come to pass in the distant future to people whom we will never know and never meet. In this way, we are faced with a most awkward conundrum; how do we incentivize an action whose benefits we may not be able to witness in our own lifetimes? One of the approaches offered by Dan and his colleagues is to harness the competitive nature of our very human condition by introducing competition for social appearance, for example, adding to our monthly bills small symbols of emotion according to how well we are doing in terms of saving, for instance, water in comparison to our neighbour! If our neighbour during the month saved more water than ourselves, we would receive a sad face, pushing us to change so as not to lose face!

Having been greatly encouraged and in obtaining a small 'education' on behavioural economics by Dan and being of a fun and creative spirit myself, I decided to open a University savings account for my child, asking his grandparents to top it up and giving each grandparent a sad/happy face when compared to the other whilst babysitting my child. In this way, through such a visual stimulus I have gained a reliable babysitter that pays to look after my child and concentrates on securing their place at a top university and their subsequent professional future!

Though I'm not sure if the grandparents are buying it….