Ain't misbehaving

Behavioral economics and the making of financial literacy

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No one to talk with
All by myself
No one to walk with
I'm happy on the shelf
Ain't misbehavin'
I'm savin' my love for you

Fats Waller/Andy Razaf – Ain't misbehavin' (1929)

Introduction

People's (mis)behavior has not only filled the library sections of theology and moral philosophy. Increasingly, scholars of economics are becoming more interested in the discrepancies between what they consider good economic decisions and the actual practices of individuals. The *mores* of society, as Weber (2001 [1905]) has argued, have been a crucial element in the making of capitalism, with practices of accounting and profit-seeking finding their way into socially acceptable forms of life. Not only did profit-seeking behavior become the norm of capitalist life per se, but today the state is attempting to interfere in ever more aspects of the lives of individuals, its citizens, such as obesity, global warming, and also financial behavior (Dubuisson-Quellier 2016).

The ways in which good behavior and misbehavior are framed, however, have changed considerably over recent centuries and have often been redefined after economic crises. What used to be condemned as "usury" in ancient and medieval times (Lazarus and deBlic 2007, 12) could be framed as "financial savvy" in the twenty-first century: in other words, letting your money work for you. This reframing is part of a process that researchers from diverse disciplines have termed the "financialization of daily life" (Martin 2002; Langley 2008), involving ordinary people in financial market deals. Being responsible for their own form of "everyday capital" (Martin 2002: 4), households have been made accountable for insuring themselves against risks and self-disciplining themselves in terms of saving, borrowing, and investing. Consumers are supposed to insure themselves against possible health issues, buy insurance for their cars and their homes, and secure themselves with additional private pension products (OECD 2004, 6). A demand to educate consumers in financial matters has accompanied this development and is a growing policy issue on a global level. The OECD in particular is a core actor and platform for the project of financial literacy education and has recently included the topic in its PISA study.

Financial literacy education is a fairly recent concept, having emerged on the policy stage in the US and the UK in the early 2000s. The aim of its proponents is to educate people on concepts such as inflation, interest, and risk diversification, but also to change their general attitudes towards financial products, services and – in the best case – also their behavior in markets. The main question I shall try to answer in this article concerns the role played by the discipline of economics in boosting financial literacy education and how this can be viewed from the perspective of the sociology of economic knowledge. My contribution will be to try to understand how a specific branch of economics has contributed to the changing understanding of consumer behavior and government intervention in markets. I shall try to grasp how behavioral economics has reframed government thinking about market participants, market stability, and the types of intervention that they should undertake in markets. Taking the project of financial literacy education as an example, I will show how behavioral economics prepared the discursive field for other approaches in economic policy.

In contrast to Hall (1993), I argue that a paradigm shift in economic policymaking cannot be explained solely by the field dynamics in parliament, ministries, and the changing political landscape. Rather, we need to look at the field dynamics of economics itself and look at the sociology of professions and the history of economic ideas together. This makes it necessary to look at the ideas embodied in the respective economic paradigm, the timing of its ascent, and coalition-building with think tanks, government organizations, and transnational advocacy networks.

Economists and economic policy

The roles of economics and economists have been described in diverse ways in social research. Depending on the assumed relations of economic discourses and their influence in policymaking, how economists are perceived ranges from mere technical advisers to conceptual pioneers.

Professions and ideas

It is clear to most academic observers of the economics profession that it has a special role in the social sciences in terms of its political influence and intellectual reputation. Economists hold a "virtual monopoly on giving policy advice" (Thaler 2015, 5) compared with other social sciences. One reason for this might be the dominance of financial and economic issues in politics; another has to do with the relatively coherent packages of policy recommendations emerging from a unified system of (liberal) economic thought. Starting from some basic premises and explaining a wide range of micro and macro phenomena, (mainstream) economists exercise a persuasive power that other social sciences lack. However, as Hirschman and Popp Berman (2014) emphasize, most economists know that this influence is limited at critical junctures or on important government decisions when political considerations can outweigh economic "expertise."

Policy advice is certainly only the most obvious channel of influence enjoyed by economics with regard to policy ideas. However, "ideas matter" on a range of levels, whether it be macroeconomic paradigms such as Keynesianism (Hall 1993) or more specific measures such as shadow-banking regulations (Ban et al. 2016). Depending on the circumstances, the direct or indirect character of the influence that ideas might enjoy may also change. The indirect influence of economics as "cognitive infrastructure" (Hirschman and Popp Berman 2014, 794) can define which political goals are generally worth pursuing, be it economic growth (Schmelzer 2016), free markets (Mirowski and Plehwe 2009), monetarism (Hall 1993), or – in the case of this article – inculcating more rational economic behavior in individuals. By drawing policymakers' attention to specific issues, economics thus not only represents a camera and tool box for observing and repairing social problems, but it actively creates fields of intervention and constructs problems that would not have existed without it (Mackenzie 2008).

Of course, one might think of ideas in general and economic policy ideas in particular as more connected to a nexus of knowledge and power, as "strategic constructions" (Jabko 2006) or "strategic weapons in the battle for control" (Blyth 2002). Clearly, the concrete role of ideas becomes visible only when one looks at into specific cases for analysis. As Hirschman and Popp Berman (2014) have argued, we should move beyond the question of whether ideas matter at all to questions of when they matter and why (Hirschman and Popp Berman 2014, 782). The answers to this question lie in the analysis of coalitions and the timing of ideas.

Coalitions

It is important to note that in the history of economics there have been a number of activist academics who have spanned the fields of politics and research and have used "ideas as coalition magnets" (Béland and Cox 2016). The mechanisms used to enable certain ideas to influence the design of policy projects include the recruitment of international organizations (Ban et al. 2016), the appointment of economists to direct advisory positions, or more subtle ways.

New paradigms and ideas in economic policymaking tend not to appear as spontaneous technical decisions on the best available alternative (something that approaches based on Bayesian learning overestimate), but rather are subject to substantive discursive battles and conceptual coalition-building.

Broader educational and political institutions (such as the academic alliances of economics, its role in the state and in associations) have always shaped which narrative frames are available to economists, which other actors they can ally with, and what self-understanding their profession has (Fourcade-Gourinchas, 2001: 398). Economists and their positions in the academic and political field are crucial for understanding the influence of economic knowledge on economic policymaking. This might be done at national level (Fourcade-Gourinchas 2001) or in the transnational realm (Fourcade 2006) and nec-

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essarily takes into account meso-level field dynamics on various scales (university, media, national government, international organizations) and arenas in which economists try to exert influence.

Timing

In order to understand how economic thinking has influenced our perceptions of social reality, it is crucial to look at the historical conditions and institutional backgrounds that "shaped the intellectual location of economics" (Fourcade-Gourinchas 2001, 400). The discursive background of the 1940s, in which Hayek's *The Road to Serfdom* appeared, was certainly different from that of the late 1990s and stock market populism. We might still identify both with the rise of (neo)liberal ideas, but have to dig deeper to understand the exact historical conditions under which these discourses were established.

Timing is therefore a crucial aspect in the analysis of economics and its role in economic policymaking. Most empirical studies on the issue show that in times of political uncertainty, intellectual battles might open up space for new ideas (Hirschman and Popp Berman 2014, 783). Critical junctures can thus represent moments that can influence the range of later alternatives and paths (Mahoney 2000, 513), and early decisions can prove consequential for later developments (Blyth 2001).

Misbehavior and economics

From the 1990s onwards, private and public initiatives for financial literacy education were launched in order to establish both the knowledge and the initial motivation for households to participate in financial market activities. The core focus lay on the mobilization of people's savings for stock market investments, following the promises of capital market theorists (for example, Markowitz 1952). Their aim was to enable households to profit from the risk premiums of financial markets and thereby establish lifestyles centered on asset accumulation and the development of a portfolio (Sherraden 1991).

Simultaneously, financial literacy was presented as the cure to a range of problems, covering far more than stock investment. Some financial education proponents argue that consumers systematically overestimate their own capabilities (European Commission 2007, 3) – that they "don't know that they don't know." The education of consumers was thus presented as something that could counteract households' imperfect decisions with regard to finance. Most often, imperfect behavior and attitudes are attributed to consumers from lower classes (Altman 2012), women (Russia Financial Literacy and Education Trust Fund 2013; OECD 2013), or immigrant households (European Banking Federation 2009, 57–58; Lusardi and Mitchell 2014, 21). The discourse on financial literacy education explicitly targets so-called vulnerable groups and asserts that their financial practices do not meet the prerequisites of good financial market behavior.

However, education in financial matters is supposed to do more than ameliorate presumably irrational behavior; it is also aimed at broader societal issues. Fairly early, poverty alleviation was presented as a key aim of financial literacy initiatives, especially in countries such as India (OECD 2006). For OECD countries, the core narrative concerned the restructuring of the pension system and the privatization of risks to the individual (OECD 2003, 2). Other, rather macro phenomena (such as market instability and regulatory issues) have become more pronounced, especially after the financial and economic crisis of 2008. This overt association of presumably irrational micro behavior with macro issues of financial stability has given financial literacy another substantial boost in recent years.

We might still wonder what financial literacy represents. The dominant OECD definition states that financial literacy education is supposed to foster people's knowledge, attitudes, and behavior in financial terms (Atkinson and Messy 2012). The knowledge aspect covers awareness of concepts such as interest (or compound interest), inflation, and risk diversification (Atkinson and Messy 2012, 17). People equipped with more understanding of such key concepts, the argument goes, would be better off in financial market surroundings because they could read market signals and manage their own portfolios.

The attitude aspect addresses a slightly different element of "market personality." Here, financial literacy focuses on general character traits exhibited in markets, such as orientation towards future wealth,[1] or people's overestimation of their own abilities. The underlying assumption here of course is that there is one "rational" attitude towards finance, namely that of the informed customer who surveys the market attentively. This claim is one of the key differences between behavioral economists and financial literacy proponents.

The third aspect mentioned in relation to financial literacy is changing people's behavior. The usual questions on behavior in financial literacy surveys read like standard consumer finance surveys (the OECD questionnaire asks consumers whether they pay bills on time or have borrowed money recently) (Atkinson and Messy 2012, 23). People are expected to act in accordance with their knowledge and attitudes, so that consumer behavior is in line with what apologists of financial literacy education consider to be rational.

To date, the social scientific research on financial literacy education has focused mainly on the different national environments of financial education programs, as in Canada (Pinto 2012), the United Kingdom (Odih and Knights 1999; Montgomerie and Tepe-Belfrage 2016), Germany (Reifner 2006; Weber 2010); and France (Lazarus 2013). However, we might gain a lot for the study of economic knowledge and financial literacy if we understood both the conceptual heritage of financial literacy and the interlinkages of politics and economics in policymaking. For this, it is necessary to understand how the idea became commonplace in post-crisis discussions of consumer policy; how it came to be included in the PISA criteria in 2012; and how a transnational network of industry, academics, and policymakers came to gather around the issue. We have to understand the relevant changes in the discipline of economics, most notably the rise of behavioral economics and the field dynamics between economists and policymakers.

The rise of behavioral economics and the idea of the imperfect consumer

Behavioral economics has developed from a niche approach to a recognized subfield (Weber and Dawes 2005). But until behavioral scholars such as Daniel Kahnemann received the so-called "Nobel Prize in Economics" of the Swedish National Bank in 2002,[2] followed by Robert J. Shiller in 2013 and Richard Thaler in 2017, a long path had to be pursued to connect research from psychology and microeconomics to form a well-established strand of economic literature. In a time of liberalized markets and "free individuals," an economic branch demanding "libertarian paternalism" (Thaler and Sunstein 2008, 5) has to mobilize a range of moral or cognitive narratives to be successful, especially to legitimize intervention in presumably autonomous economic areas (Dubuisson-Quellier 2016, 30). Behavioral economics has gained ground, especially since the 1990s, as a major sub-discipline. The aim here cannot be to offer a comprehensive overview of behavioral economic research, however. Rather, I will highlight some of its main assumptions and intellectual coalition-building and examine the extent to which has contributed to the professional field of economics, as well as to economic policymaking. I will then show how financial literacy education has built on this new paradigm, but also has ignored some of its assumptions.

When economists in the United States first became interested in the seemingly irrational behavior of consumers in markets (for example, by choosing the default option of a product instead of surveying the market), they had almost no institutional power base in US universities; nor did they have associations or journals to rely on for professional authority. There was not even substantial interest in their research from any group outside economics. This changed especially with bridge-building to the neighboring discipline of psychology that opened up new opportunities for economists such as Richard Thaler (Thaler 1980). Psychologists such as Amon Tversky and Daniel Kahnemann had been interested for quite some time in processes of seemingly irrational decision-making (Kahnemann et al. 1982), but it took them until 1985 to establish themselves in the economics profession in the United States. That year, a mixed psychology-economics conference held at the University of Chicago proved to be the disciplinary gateway for the new approach (Thaler 2015, 159).

However, some additional features were needed to amplify the program of behavioral economics. Without being preceded by any substantial bad news on specific firms or market developments, in October 1987 stocks fell by more than 20 percent. The 1987 crisis would not be worth mentioning if it were not for the stimulus it gave to the discipline of behavioral economics and market psychology. This crisis differed from crises of advanced capitalism in preceding decades and centuries (Allen and Gale 2008; Wolfson and Epstein 2013). Not in nature, of course, since every time a crisis in capitalism occurs observers tend to claim that "this time is different" (Reinhart and Rogoff 2011, 15). In this case, however, analysis focused not on currency, inflation, banking, or debt (Reinhart and Rogoff 2011, 3–14) but rather on the irrational herding behavior that was claimed to be the main reason for the panic in capital markets from Wellington, New Zealand to New York.[3]

The 1990s further underlined behavioral scientists' criticisms of their more established colleagues. The stock market boom of the 1990s ended in a major market crash following the so-called "dot-com bubble" of the period between 1997 and 2001. One book published at the height of the bubble in 2000 proved to be an influential turning point in terms of economists' views on markets. It also had a remarkable influence on policymakers in the United States. Behavioral economist Robert J. Shiller was already said to be the source of Alan Greenspan's, then chairman of the Federal Reserve board, famous 1996 speech on the "irrational exuberance" in the US economy, which thus acknowledged herding effects in financial markets. Attributing irrationality to markets was in a way what behavioral economists had argued for decades: market actors' decisions did not rest solely on rational criteria and thus needed other explanatory paths. It was easy for mainstream economists to argue against single-issue studies by behavioral counterparts, but they found it harder to "dismiss studies that document[ed] poor choices in large-stakes domains such as saving for retirement, choosing a mortgage, or investing in the stock market" (Thaler 2015, 7).

When Shiller published his book *Irrational Exuberance* (Shiller 2000), he not only criticized his own area of microeconomics, but also financial media and TV commentators in recent years who had marketed the view that people should shifts their investment portfolios to stocks. As a critic of retirement funds' decision to put all their investment eggs in the one basket of stocks, Shiller paved the way for the success of behavioral research in the policy arena.

Core ideas

Behavioral economics' original aim was to show how individuals systematically deviated from what neoclassical economics suggested they would or should be doing in markets. Behavioral economists "found" that rules of thumb or heuristics guided people's decisions more often than rational considerations. However, behavioral economists were not much interested in where these informal norms and rules came from (Piore 2010). Essentially, it was argued that people made wrong decisions all the time for reasons of overconfidence, inertia (choosing the default option), herding, or framing (how specific problems are presented). None of these are part of the traditional corpus of neoclassical microeconomics.

If we assume the two central premises of mainstream economics to be rational preferences (based on full and relevant information) and market equilibria that should occur when individuals act in accordance with their rational preferences, then behavioral economics represented something of a reform movement within economics, but also one with a policy agenda. Behavioral economists tried to convince politicians that in order to avoid market instabilities (Schleifer 2000), they would have to "grapple with these messier aspects of market reality" (Shiller 2000, xiv) and change consumer behavior.

Of course, the behavioral approach to economics still largely refers to an ahistorical image of consumer behavior and market developments (Schimank 2011, 3) and we might argue that sociologists should rather deal with collective conditions and structures than with individual choices (Streeck 2010, 388). But no matter how the discipline of sociology or political economy might want to relate to the approach of behavioral economics, the latter has witnessed a steep increase in public attention.

Figure 1 shows a rough estimate of the importance of the behavioral economics approach in terms of newspaper coverage. Basically, every major crisis that was discussed mainly as a crisis of consumer misbehavior (1987, 2000, 2008) turned out to amplify the research field's importance.

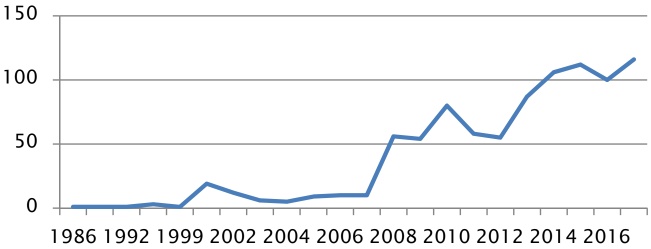

Figure 1. Number of newspaper articles on behavioral economics, 1986–2017
Note: Using *Factiva* and including the New York Times, the Washington Post and the Guardian as major newspapers from the North Atlantic (English-speaking) economic policy world.

Behavioral economics thus benefitted from three things in particular in establishing its professional basis. First, it allied with the neighboring discipline of psychology, which opened up at least some sort of professional legitimation. Secondly, its audience includes not only academia, but also the broader public and political institutions. This meant that national ministries, central banks and supervisory agencies became interested in the topic. And thirdly, the financial crises of 1987, the late 1990s, and, most notably, 2007–2008 gave it the public attention to establish itself as the savior of the financial system. Roughly during the same time, the incorporation of low- and middle-income households in financial market activities was accompanied by a second strand of thinking: financial literacy education.

The ascent of financial literacy education

The idea of financial literacy education, as it evolved in the Anglo-Saxon context in the late 1990s and early 2000s, has partly built on the growing interest in consumer behavior to which behavioral economists have contributed. Both the United States and the United Kingdom set up national institutions to accompany and drive household stock market investments with educational help. One of the first of its kind, the *Jump$tart Coalition for Personal Financial Literacy* in the United States brought together insurance companies, consumer credit counselling services, and the Federal Reserve Board as early as 1995. At this time, the project was as US-focused as it was industry-led. The coalition drafted material for school curricula and advice for policymakers to address the issue (Jump$tart Coalition for Personal Financial Literacy 2015).

Already in the early stages of the institutionalization of the topic in the 2000s, there was strong involvement in particular of financial economists as advisors in the United States and on global policy proposals. A Federal Reserve Board bulletin of 2002 was one of the first signs of institutionalization, discussing financial literacy education as a potential remedy for high levels of consumer debt and increasingly complex financial products (Braunstein and Welch 2002). In the United Kingdom, around the same time, New Labour set up the Personal Finance Education Group (PFEG) and the UK Financial Services Authority emphasized the importance of educating the population in financial matters (UK Financial Services Authority 1998).

It should be mentioned that the ascent of financial literacy would probably not have been possible to such an extent without the rise of stock-market populism (Martin 2002; Langley 2008) and the restructuring of the welfare state, especially of retirement systems. When pension policies shifted to a stock market orientation even in countries with strong public, defined-benefit pension systems, such as Sweden (Ryner 2004), this meant a massive steering of household savings to investments in stocks and bonds. This new "DC [defined contribution] world" (Langley and Leaver 2012, 475) made policymakers think about how to help people to navigate in a newly created market of finance for everyday investors.

It was in this environment and mainly through initiatives in Anglo-Saxon countries that the issue reached the global political arena (Interview with OECD official, March 2017). The concern here was not so much the individual misbehavior of consumers on markets as preparing people's minds for the new age of privatized pensions and insurance landscapes, as can be read in the OECD's first publication on the Financial Education Project in 2003 (OECD 2003). At that time, the issue was largely driven by individual countries, but of course the *Zeitgeist* had been one of individualization and the "third way" in politics, economics, and the social sciences (Andersson 2010).

The role of economists

Early research on financial literacy made explicit mention of the contribution of behavioral economics to showing the need for regulatory intervention in consumer behavior (Braunstein and Welch 2002). Especially US-based economists such as Lewis Mandell, Annamaria Lusardi, and Olivia Mitchell were strong advocates of financial education for the purpose of boosting stock market participation (van Rooij et al. 2007), sometimes also referring to behavioral economic research on the gaps between economists' models and actual consumer behavior (Lusardi and Mitchell 2014). The underlying promise was that "those who build financial savvy can earn above-average expected returns on their investments" (Lusardi and Mitchell 2014, 6).

Thenceforward Lusardi became not only one of the main academic proponents of financial literacy education, but also a member of the advisory body of the OECD PISA financial literacy survey (Interview with OECD official, March 2017). Despite doubts about the actual effects of financial literacy (Willis 2011), these economists were able to set the agenda, assuming that a well-functioning marketplace needs consumers to react appropriately to price signals and market developments, thus preventing irrational exuberance on markets. However, they focused explicitly on the "least financially savvy population groups" (Lusardi and Mitchell 2014, 5) and thereby abandoned behavioral economists' point that all individuals tend to behave irrationally and spread the view that only the uneducated behave wrongly. By looking at the correlation between financial literacy levels and issues such as consumer debt, budgeting practices or retirement planning, financial education proponents have successfully reframed problems such as consumer debt as issues of *individual* (mis)behavior. In this way, these economists have acted as "masters of definition" (Hajer 1995, 42), drafting survey questions or serving on the advisory bodies of governments and international organizations.

The crucial dimension for the success of financial literacy was thus the coalition-building of a diverse range of actors – from activist academics such as Lusardi and Mitchell to international organizations or national governments and supervisory bodies. Central banks have become increasingly important in the promotion of financial literacy education (Aprea et al. 2016, v), especially through the reframing of the subprime crisis as a crisis of consumer misbehavior. As a result, a significant part of the policy literature on financial literacy and education now explicitly refers to behavioral insights and the "relevance of attitudes, feelings, and the role of psychological factors in financial behavior and well-being outcomes" (FLEC 2016). Claims that households are using "crude rules of thumb when engaging in saving behavior" (Lusardi and Mitchell 2014, 21) strongly resemble the rhetoric of behavioral economics.

The OECD and the institutionalization of the topic

Similar to what Ban et al. (2016) have argued, the case of financial literacy education shows the strong role of international organizations as amplifiers for policy ideas. The OECD, like other international organizations, mainly recruits economists and thus is prone to mirror developments from the discipline of economics. The OECD thus cannot be reduced to its organizational role as promoter of the market economy; it is also a crucial recruitment platform for economists.

Despite the relative hostility of especially EU officials to the notion of financial literacy as a panacea, the OECD used the US subprime housing crisis in particular to make an urgent case for financial literacy efforts worldwide. The main narrative was no longer that individuals were only supposed to invest their savings in securities markets and insurance for better pension provision; rather financial literacy was now presented as a functional precondition for stable financial systems and the prevention of fraudulent business practices. The consumer was no longer supposed (only) to buy insurance for potential difficult times, but to budget wisely and save enough for a rainy day. Consumers thus became responsible for the well-being of the whole financial system, as the OECD stressed at its first post-Lehman Brothers summit:

"Failure to develop debt management skills can cause consumers to suffer, at best, financial distress and at worst, major financial crises, which can have severe consequences and lead to significant losses for financial institutions (as creditors)." (OECD 2008)

From then on, no policy publication on financial literacy went without a reference to the subprime crisis. In fact, the financial literacy discourse was amalgamated with one on vulnerable groups and protecting consumers from free market failures, thus turning around the market-friendly narrative of the pre-2008 period. In 2012, the issue was made part of the PISA study of 15-year-old school pupils' performance and thus framed as a core skill that young students of high-school age should have. The financial and economic crisis thus proved to be an opportunity to further enhance global institution-building around financial literacy education. An international network (INFE) was created at the OECD and affiliations with US universities, such as the Global Financial Literacy Excellence Center (GFLEC), consolidated the policy project institutionally.

In the aftermath of the Dot.com Crisis, proponents of financial literacy education took to drawing on a discourse of consumer misbehavior and "irrational exuberance" that has fundamentally changed the view of the consumer in economic policymaking. Consumer "misbehavior" is now regarded as a major risk to the stability of the financial system; almost all policy documents on financial education refer explicitly to market instabilities due to wrong budgeting, saving, debt, or investment behavior. Macro-problems, such as financial stability, are now discussed as resolvable (at least partly) through intervention in consumer behavior and skills. Of course, there are also alternative voices within the discussion on financial literacy education, but they are rarely heard at OECD headquarters in Paris. Reifner and Schelhowe, for instance, argue that most common definitions of financial education fail to incorporate critical attitudes towards the financial system, but rather only try to convey the "rules of the road" (Reifner and Schelhowe 2010).

Through the OECD, the relevant economists have been able to persuade a wide range of central bank officials and financial supervisory bodies of the importance of educating their citizens in finance. How this will play out in national contexts remains to be seen. However, we can already see the pressure that OECD surveys such as the PISA study's measure of financial literacy are putting on various countries to step up their efforts on the issue.

Conclusion

Research on the intellectual history of financial literacy education has only just begun, but it is a promising area for the future. Not only can we understand how professional fields emerge and change, but also how specific economic policy ideas serve as coalition magnets at specific times of economic crisis. The conceptual links between behavioral economics and financial literacy (Altman 2012) are as interesting as the two areas' personal and institutional networks. The topics are gaining in importance; the triumph of "nudging" as a policy idea (Strassheim 2017; Botzem forthcoming) is one sign of this. Even though behavioral economics remains a separate body of research whose policy recommendations partly even contradict those of financial literacy proponents, it has provided the "cognitive infrastructure" (Hirschman and Popp Berman 2014, 794) for financial literacy to become a political project.

This has led to the disapproval of "out-of-date" financial behavior, for instance when the OECD argues that consumers in countries such as Poland or the Czech Republic distrust modern financial instruments and maintain a belief in traditional ways of saving money (OECD 2004, 5). This rhetoric serves to "impose one best way to manage money and stigmatize existing monetary practices" (Lazarus 2016, 29), but also to establish a particular capitalist form of life (Sachweh and Münnich 2017). This includes the ownership of commodities, but also the mastering of behaviors and attitudes of calculation, foresight, and risk calculation to understand individualized offers of insurance, consumer credit, or investment products. The spirit of capitalism (Boltanski and Chiapello [1999] 2005) has thus experienced another reform movement. Economic sociology might take on the role of counteracting the individualism of both behavioral economic and financial literacy research and of serving as a critical voice in the study of new ideologies (Chiapello 2003).

Endnotes

1 The OECD questionnaire includes the attitudinal sentence "I tend to live for today and let tomorrow take care of itself" Atkinson and Messy (2012, 33).

2 Properly speaking, the prize is the "Swedish National Bank's Prize in Economic Sciences in Memory of Alfred Nobel"; the more colloquial name seeks to emulate the genuine Nobel prizes in terms of prestige and recognition of scientific advances.

3 Of course, thinking about herding behavior in finance is not a novelty in economics; for example, scholars such as Thaler explicitly refer to Keynes' notion of "animal spirits" (Thaler 2015, 209).

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