

Prof. John Lynch's Interview with Bill Bowe

November 1, 2024

1. Parents and Family Life Growing Up

WJB: Tell me a bit about your Lynches. A good place to start would be with your parents, of course. You're one of how many children? Six, is it?

JGL: Yes. Six living, seven kids.

WJB: So maybe you can just start me off briefly with your parents in their generation. Where were they born? How did they meet? And you're the second oldest, maybe give me some sense of where you were living and how the family developed in those early years. And where?

JGL: Both my parents both grew up in the Chicago area, my dad in Elmhurst area, and my mom in Glencoe. They met at some cocktail party. There's a lovely story about it. But yes, they were there with maybe invited with other people and they really hit it off. And I would just say about them, like they had an amazing marriage. They really had a fantastic marriage. We started out living in this little house in Des Plaines, Illinois, that I guess was a three-bedroom house. And we lived there through six kids. Then, when the seventh was on the way, they bought this place out in Trout Valley and Cary.

I'll just describe that house, because it also describes the social world that we had. It had I guess, four total stories, depending on like what direction you're talking about. On the upper floor, my parents had had their room up there and the girls were up there. And that was his own society with the five girls. Then my then they had the main floor, the living area, the dining room, and so on. And then down the subbasement or the basement was where my brother and I were. And there was a big old playroom.

WJB: The animals were in the basement.

JGL: The animals were in the basement. It really was like Lord of the Flies down there. And my parents would be up there on the floor with, on the kind of the main floor. My dad would come home from work late. If they were super late, they'd be drinking some glasses sherry for a half hour. A lot of mayhem was going on. I was just very lucky. My siblings and I are still tight. There was a lot that happened that my parents were unaware of.

I would just like to say just a couple of things about my parents. They were such amazing parents. They're both amazing individually, and as a couple. My mom was the sunniest, the most positive person. You could never get it to her to say something bad about anybody. We would try. For instance, there was this guy up the hill who was married to her best friend. The guy was horrible to the best friend. He shot our dog! A bad guy. And we go, "Mama, what about Mr. Nystrom?" She goes, "Well, he's not my favorite person." That's about as negative as you'd get her to be.

2. The Family Business

My dad was a super industrious guy. He started in sales. And I'll say one other digression about my dad. My dad thought of himself as the least talented person among his siblings. You know, you're in this family. It's got a lot of smart people. Both his brother and his sister went to the University of Chicago. My dad had to have kind of the intercession of a high school teacher to get into Lawrence College. So he always thought of himself as the one that was the least accomplished.

But he, very industrious. And he, he left, he left a job as a vice president of a data processing firm in Chicago to start his own business in Cary. He had this business in a stable. It was a converted stable. The stable used to have all these Kentucky Derby winners. After they were sold off, my dad had his business in there.

WJB: Was the business processing punch cards for local businesses?

JGL: The means of doing it was data processing. The end results were accounting reports for companies in the Chicago area. I had a high school job of delivering these, delivering these reports.

WJB: Explain what decade was this? I think it was a punch card era.

JGL: They had punch cards. They had people that were in the Cary area that worked in the business and they would punch cards. They would have somebody else key and verify the cards. So, a second person would look at the same records and then, do it again. You'd have to get the same result before that would go in and be processed by the report that would have accounts receivable or payrolls and the like. This is back in the day when every firm didn't have their own computers and people. My dad rented these big old IBM mainframes that would take up a huge room.

WJB: If I understand the business, the input was somehow paper accounting records.

JGL: Yes.

WJB: And firms around Chicago?

JGL: Yes. A lot of famous Chicago firms. Basically, the records were brought into the Cary stable. I was a delivery man, I would both pick up records from these routes around the Chicago suburbs and in Chicago itself, I would pick up records for them and later deliver the reports.

WJB: Now you mentioned, you mentioned some well-known companies. Give me an example.

JGL: For example, Schwinn bicycle. My dad was always very tight with a lot of these clients, Chicago Paper and so on. You drive around to these companies and pick up their reports, bankers' boxes full of records.

Anyway, it was started by my dad and my mom helped. Eventually, maybe at it's peak, it might've employed as many as 32 people. It was a huge thing. My dad was always very proud to have provided meaningful employment for all these people. And he was always super tight with the people that had been working with him. One of his lie lieutenants had a polka band that played at my wife's and my wedding, the hokey pokey and music like that.

The other thing I would say is my dad did this and he would come home late. We'd be at a multi-part dining room table at night. Dinner at nine o'clock and everything. So that's what life was like.

I guess the other thing I would say is that my dad had this view that there's dignity in any job well done. It was a combination of hard work, plus respect for the hard work of others.

One last thing about my parents before moving on to other things. They were so community oriented. Both were really. My dad was very involved in the Catholic Church. I don't think she ever converted, but we were raised Catholic. They started the Cary Girls Softball League, because there was Little League Baseball for the boys, but there's none for the girls. So, they started this league that still exists this day. They were always very, very community involved.

My mom was a Girl Scout leader forever. They were just fantastic. I really would say, they both had their activities. My dad could probably find more to do than my mom. I would say seriously that he was the human being that I knew personally that was the man that I most admired in my life. He was just a really great guy.

3. Social Life with the Cousins

Our entire social life revolved around cousins, both my mom's side of the family and my dad's side of the family in the Chicago area. Everything, every holiday, our social life, the weekends, were spent going back and forth to people in the family. We were so tight with the cousins. That was really, positive, the extended families and so on. That's what I really value. One of the things I feel very fortunate about is that our kids, they also are super tight with all their cousins, even though they don't live so close together.

WJB: Yes, but you weren't all that close in distance with you being up in Cary and Frank and Susan Lynch's family being down in Park Forest.

JGL: Yes. Well, they were kind of spread out, and then in the western suburbs was Patricia Lynch. They were in Sleepy Hollow, not that far from us. In fact, the guy

who built their house in their little development was the same one who built our house in Cary. So they weren't that far apart. But Park Forest was far and then we would go to Chicago which was relatively far. But they thought nothing of doing this. I would also say, they should never have been driving as much as they were. They would drink and then they would get on the road. It was super fortunate that nothing ever happened.

The siblings socializing were my dad, Aunt Patsy and Uncle Walt Heffron, and Uncle Frank and Susie Lynch. For sure, it was at least once a month, and I think more often. They all had politics not that far apart, but that's where you had the biggest arguments. And they would sit there, we'd get together as a family, and they get into these roaring arguments about politics. And then they go, "Oh, it's 10 o'clock."

One of the things I learned from it is that they could have these super arguments without it ever having it affect their relationships. I thought this was a very deep lesson for me in life that you can disagree strenuously, and at the same time, realize that you still love the other person. That was really manifest in everything about our lives growing up. Uncle Frank, I think was a regular alternate delegate to the Democratic Convention. And my grandfather on my mom's side was a Republican candidate for the Senate. And they would work on each other's campaigns and be involved in these different things politically. The idea was that you could disagree with people about almost anything, but it shouldn't affect the relationship.

4. Schooling and Higher Education

WJB: Let me turn to your own life and your schooling. Did everybody go to the same Cary schools.

JGL: Yes, when we started out it was in Des Plaines. Then we moved to Cary, I think when I was in second grade, and we went to St. Peter and Paul. We all went to school at St. Peter and Paul Catholic school. They charged you by the family, \$80 for the family. So, with our family of seven kids, my parents got their money's worth out of that. Later, we all went to the public high school, Cary-Grove High School. And that was true for all of us.

WJB: Were there sports for all?

JGL: Yes. First, all my siblings are pretty smart, with a lot on the ball, but we always thought of my oldest sister, Robbie, and my sister, Cathy, as being like the best students. Maybe Meg was also a great student. I'm not sure.

Anyway, they were really good students. I was kind of a middling student, I would say. I think I graduated like 83rd percentile of my high school class.

I was in sports. I did cross country and wrestling. The wrestling was because my dad was a wrestler. He wrestled in a college, and it was during the war. He wanted to get into the military. He wasn't heavy enough to get it. There's some story about how Grandma Lynch came and bulked him up, up there at Lawrence University to get him to be able to make weight. Then he wrestled for the military, and he also boxed for the military. And because he was good at it, I think he was like third nationally, he and some other people that were still stuck stateside. They never sent him overseas like Uncle Frank. So, I wrestled, and I was a conference champion.

WJB: After you graduated from Cary-Grove High School, what got you to your particular college experiences? Explain how you came to think about becoming an academic and pursuing a serious academic career.

JGL: All these things are related. The first thing I'll say is I'm completely not a planner. Anything good that ever happened to me, I completely blundered into, like my wife. Patrice was the valedictorian of my high school class and the student counselor president from my high school class. I never dated her until I asked her out to the senior prom. Literally, the first date was the senior prom.

Then I was starting at Tufts in Medford, Massachusetts, and she was starting at Illinois State. We got super serious quickly. The first year I went to Tufts, she's at Illinois State. We wrote each other love letters every day. And then she transferred out to be near me. She went for a year to Boston University. That's a private university and her parents were only paying for state tuition. I don't know why we didn't figure this out right away, but for the junior year, we both transferred to University of Illinois in Champaign. Somehow in transferring credits, I picked up credits. I don't know, there's probably some clear reason. It's like one school had

units and the other one had hours of credits, and somehow the conversion formula let me finish in three years.

We got married in the summer. She still had a year to go, being 21 years old. We're both 21 years old, and she had already moved twice to be with me. There's no way at this stage that we're going to make her move again. So, I decided I had to do something there. She needed to finish her accounting degree.

I was an economics major, and I went to my econ advisor about what I should do. I wanted to get a PhD. I said, I could do psychology, or I could do economics. What do you think? She said, "I think you should do psychology." You know, my econ professor says, "I think you should do psychology." So, it's psychology.

WJB: Let me just back up a little bit with your choice of an economics major. You had grown up in the middle of a family business and had worked for it. Did that make you more interested and inclined towards an economics major given what you'd seen as a child?

JGL: Economics is relatively a conceptual field. It's a foundation for business, but it's not the kind of thing that you take economics for. It's not accounting like my wife did accounting. It was basically supply and demand type studies, labor markets and so on. Anyway, I did that. I thought it was intellectually interesting.

I happened in my last year to take a psychology class where I read some famous study and had some questions about it. It was a famous study of a phenomenon called "diffusion of responsibility." That's when people in groups choose to not intervene.

It was all predicated on the famous murder in New York in the 1960s of Kitty Genovese, who was killed in a courtyard. This led to a whole stream of research and psychological studies about group diffusion of responsibility. I figured out some patterns when I looked at the results from this study as an undergrad. The study talked about how likely you were as an individual to help as a function of whether there are other people. I worked out the math of a person getting helped. This led the teacher to point me to other people, saying I should look at their PhD program.

So, I did my psychology PhD program and never thought about what job I would get with it. My dad would ask me things about what you do with this. I didn't think about it. But my wife finished her degree and then she became a CPA in the Urbana-Champaign area. We lived in government subsidized housing there as I was finishing this PhD.

In my fourth year, someone ran an advertisement for a sabbatical replacement in St. Andrews, Scotland and I applied for the position. I got it, but later in the summer, the job fell through. I was still in my PhD program in Champaign for my fifth year. Had that job not fallen through, my lucky next step would never have happened.

5. The University of Florida

In my fifth year, my advisor was a very famous social psychologist, whose work was influential with people in the field of marketing. This was just for understanding consumer psychology. They had him down giving a talk at the University of Florida and they asked him if he had any students they could hire. They were looking to replace a guy who had left to start the marketing research program at University of Georgia.

My advisor had earlier sent other guy in our PhD program down to the University of Florida, who happened to be unbelievably obnoxious. So, then the Florida professor who had originally asked my advisor for a recommendation was back for a replacement with a slightly different job description. Then my advisor says, "I have this guy," and he sent me down to the University of Florida. I had no interest in marketing at the time and no knowledge of marketing.

As it turned out, the University of Florida shortly became the epicenter of consumer psychology studies. I couldn't possibly have gotten a job at a better place. They hired these other people right before and after me that were amazing. It was like being an assistant professor in nirvana. And in that phase of my career, I was there for 17 years.

We basically ushered in this field of the psychology of how people make decisions about consumption in their lives. How do certain variables in the world affect what alternatives you consider, and how does what you consider affect what you wind up choosing. How does memory affect that, and how does your attention affect that?

I did that for 17 years and I absolutely loved my colleagues there. Two of our three kids were born when we were there at Florida.

The guy who hired me, Jerry Cohen, hired within two years of me five people who all had positions as the President of the Association for Consumer Research Society. The guy was an unbelievable team builder. It was really a great time from the very beginning of my career. My start was as what's called an assistant professor, with no tenure. I got tenure after six years.

WJB: Is that early or late for tenure?

JGL: That's typical. I can't say enough about the value system of people there, the level of the research, the integrity, and just the intellectual atmosphere.

WJB: You mentioned earlier, in your PhD on the psychology side of things, that you had figured out a formula associated with the Kitty Genovese intervention research.

JGL: Yes. It's interesting because as I told you, my sisters were the better students growing up. I never thought of myself as that good at math or even liking math that much. When I said we went to St. Peter and Paul Catholic school it didn't teach kids algebra. I think I took algebra in summer school, before going to Cary-Grove with the other Catholic school kids. I did it only because I wanted to be in the carpool with this girl I was interested in. I was slow and they covered everything in six weeks. It took me a week to understand something in algebra called the distributive law, which is like taking six weeks in a regular course. So, being super slow, my dad then made me take algebra again, even though I had passed it and gotten a C or something. He made me take it again. So, I never was on the fast track in high school math. And the same thing in college, I was never on the fast track. I was always, I saw myself as being just okay on this stuff.

However, when I got into grad school, I found that I am pretty good at statistics. It turns out I have a good mathematical intuition for economics. Now, I teach PhD level statistics. I've taught some of the leading people in the field, but I always thought of myself as a kid as not particularly gifted.

WJB: Given that statistics is the branch of mathematics that seems to be the most fundamental part of your research, does it follow that because you must analyze data, it's statistics that give you the basic framework for this?

JGL: Yes. That's always been a part of what I've done in my research. Also, I've been very interested not just in the statistics, but in general research methods: What is it about how you do the study that makes the conclusions more or less likely to be balanced.

WJB: You said that by the time you were finishing at the University of Florida, before heading to Duke, this branch of study seems to have flowered at the University of Florida.

JGL: Yes, it's a huge thing now. I wasn't the one who started it. I was hired by one of the people who started it or the several people who really founded this discipline. By now it's like a very established. It's a very established subfield of the field of marketing, maybe the biggest by now. And this guy who hired me hired in a very short time, other brand-new PhD assistant professors who went on to become presidents of associated professional associations.

WJB: While you were with other brilliant people as well, it certainly seems to me that you yourself are a very significant figure in the field. Is that the case?

JGL: If you ever interact with me, you might say, "He's not the smartest guy in the family." But for whatever reason, I'm very good at what I do. So, I have gotten pretty much every honor it's possible to get in my field.

WJB: Well, remember Winston Churchill. He wasn't a star in school as a child either.

JGR: I'd like to think that. That's a flattering comparison, but I would say that in my family, a lot of people will point out that I'm not the smartest one in the family.

6. Duke University's Fuqua School of Business

WJB: Yes, particularly your siblings. I'm sure. Now, tell me a little bit about the opportunity at Duke, and what attracted you to it?

JGL: One thing is this group at Florida, when I was hired in 1979, we're kind of a sleepy little group in the South and not particularly noteworthy. Then there was this series of these amazing hires. We became a top 10 group in the world and stayed there for 30 years. I was there for 17 years of it; the group became among the very best in the world. So, I was super lucky.

Another of the very best groups in the world is at Duke. It's one of the few places I would have considered moving to because they're so good in the first place. Also, because they were right there by my sister Cathy, and my brother-in-law Joach Pleil lived there. What happened is my wife and I were on vacation, and I got a call from the department chair of Duke about moving. My wife slipped me a note that said, "Don't say no!" And I wound up going there. That place was also nirvana during my time there. This is the business school at Duke. The same thing.

WJB: Is this the Fuqua School of Business at Duke University?

JGL: The Fuqua school, exactly. Yes. The marketing group was one, two or three in the world when I went there, and they kept on hiring these amazing people. They are now the leaders of the field, and they became one, two or three in the world. So, I was again in an amazing place, and they were also amazing in my subfield. I was really lucky with the people I got to hang around with.

WJB: Was there much of a difference between the students at Duke University and the University of Florida?

JGL: At the University of Florida, all the money comes from the undergraduates. They had a huge undergrad program. Duke has no undergraduates at the Fuqua

Business School. It was all MBAs. It's a top 10 MBA program. It's got its own pressures and interesting things about it, but it was great. I loved that I taught the most popular marketing elective course, called market intelligence. This week, one of my former students, who was like a complete star, is now a CEO coming to speak in my class about new product introductions and how you go about doing that. I got to work with a lot of great students and great faculty. They had a great culture.

WJB: So, the main difference is that you're not teaching undergraduates anymore. You're teaching all grad students.

JGL: That's right. It's a higher level of teaching and a higher level of student. I always think the elite people and the people that are not quite as elite, all deserve to have a great education. I loved my time at Duke, but I identify more with the admissions of the state school. I think the state school can be for a poor kid from anywhere. If you're hardworking and you get to go to one, the state school will get you there. I really identify with the mission of the University of Florida.

Part of my moving to Colorado is that we live five minutes away from my sister, Cathy, and my brother-in-law, Joach, and their daughters, who were super positive influences on our kids. Like our kids were getting in trouble. Their oldest daughter, Maureen, was valedictorian of her high school class. My son Michael was two years younger than her when we moved, and she said, "Join the cross-country team. You'll have fun." That got him into cross country. They all did that. They were so positive. We would hang out every weekend with Cathy and Joach. And there were a couple other relatives in the area from the Wyman side of the family. That was really great on that side.

On the professional side, I was there at Duke for 13 years. The main thing I would say that happened professionally is I was one of the very first to study internet marketing. How is the internet and online shopping going to change marketing? I wrote a series of papers with students and colleagues that wound up being relatively foundational for the understanding of that field. That was kind of blending my economics from back in the day with psychology and putting those two things together. We were able to predict things back in the late '90s that have transpired over the next 20, 25 years.

WJB: When the internet is new and you're doing research on what works in marketing on the internet, I gather you have to understand the advertising mechanisms of the day. And then on the advertising side of it, you've got very complicated mathematics involved in the search mechanism. And once you understand the search mechanisms, I suppose you then get to your question. What does a marketer put in front of that person on the internet next?

JGL: I was interested in the retailing, not the advertising part of it. This was really starting at tail end of my time at Florida. They researched what was happening at the time, in the middle of the '90s. Retailers all thought this is going to happen, but we don't want it to happen for us. The prevailing view was when the people shifted to internet marketing, it was going to drive down prices and there would be ruinous retail price competition.

In a brick-and-mortar world, you can be selling Levi's in one mall at Sears and then somebody else could be at the other end of the mall selling the same pair of Levi's, but they're not forced to marginal cost or to the lowest possible cost. They can each make a margin because there are search costs given the distance between them.

The thinking at the time was that the main thing that's going to keep internet marketing from taking off is bandwidth. People all thought it was technical. They didn't understand the incentives of the different parties to try to sell on the internet. The brick-and-mortar retailers basically were trying to make it hard to compare prices. They literally would try to make it hard to compare across websites. They would put up their little websites, but they really didn't want to sell a lot on the websites.

We did this analysis to say, if you do this, you're just going to open the door for the pure play online retailers. It turned out, yes, the Amazon's of the world came to do that. So, one thing is their strategy was wrong.

They were also wrong about whether this is going to lead to this ruinous price competition, because you can use the technology to compare prices for sure. You

can also use it to convey differentiating information. If you're selling something that's different from what I've got, then you can use the technology to make that more evident and that softens price competition. A lot of what I did was about information and price competition and how does online technology affect that?

WJB: And at the time, but no longer, there was the terrific differential between the retail sales, which were subject to tax at the brick-and-mortar store, but not online.

JGL: That's a separate thing. In general, the whole goal was just to try to understand the different players in the market. And develop a conceptual frame to be able to move our understanding ahead. There is a lot of what we do in academia that nobody pays attention to, but it turned out people do pay attention to an industry. That was in my Duke years. Online shopping was probably the most significant thing that I worked on.

WJB: At the university level at Duke, you mentioned pressures at the graduate school that were different from undergraduate teaching. I suppose you're alluding to publish or perish pressures, but from what you describe, you obviously didn't find this off-putting.

JGL: Well, it's publish or perish at any top university. At Florida, the tenure standards were as high as any place in the world. It's the same at Duke.

What's different is the nature of the teaching pressure. If you're a top 10 MBA program, if your ranking shifts from 10 to eight it's a big deal, but if you're ranking shifts from eight to 10, it's like a disaster, particularly if you slipped out of the top 10? There's a lot of pressure to make your program continue to be successful. You're not just an individual, you're part of this team. Also, the graduates perceive the value of their degrees to be related to the continued ranking of the school, and the employment prospects depend on how the schools are ranked. So, there are many things you do outside.

First, you better teach at a very high level. Second, you need to go outside of the classroom to support the student activities. The students at Duke started this fantastic Duke MBA marketing conference. You'd help them with that or speak at

it and go to their case competitions. So, there's a lot of time pressure. Things consume your time if you're a top MBA program that isn't there if you're a state school. It's not quite as highly related.

7. University of Colorado at Boulder

WJB: Help me understand the transition from Duke to the University of Colorado. The Duke to Colorado move.

JGL: My wife and I took some cross-country trips after marrying early in life. We came through Boulder, Colorado then. This is back in the Mork and Mindy days. We went to California and elsewhere, but when we went through Colorado and Boulder, she absolutely loved it. Way back then she wanted someday to live in Boulder.

When I was at Florida, before I went to Duke, Colorado tried to hire me to be the chair of their marketing department. And I was going to go. The Dean at the time had promised me that if I would come and be the department chair, he would give me two senior hires, full professors. That's the most senior kind of person that I had in mind. They had the promise to become something excellent. Then I found out this Dean lied to me about something. And when he lied to me, I backed out of it. And when I backed out of it, my wife was depressed because she really wanted to go to Boulder. After three months, we had this idea to maybe get some little summer place nearby there. We couldn't afford to buy in Boulder, so we bought up more on the mountain and started coming out here in the summer. She always wanted to be there.

Anyway, we developed a lot of good friendships with people that we would see on our stop in Boulder every year. We'd go out to our little place in the summer and hang out with these people.

They continued to try to recruit me to the University of Colorado over the years, but it never happened. They happened to make another run at me and this time when their Dean gave me a call it was okay. This would have been 2000. I was open to it. I went there in 2009, because I still had some PhD students I was

working with at Duke that I didn't want to leave stranded. So, I stayed, but I came to Boulder in 2009.

I met with a group first, because the reason I was willing to go there at this stage was they had hired very well. They were not at the level of Duke, but they had hired well. I thought they had lot of talent, and everything needed to reproduce what I had at Florida, where it showed even a state school can still be one of the best.

We had this idea that we should have a center associated with us, so it's not just academics talking to academics. If you don't have some sort of outward facing industry or a society facing center, then you do more talking to yourselves. We decided to do something in decision making, and then to focus it on consumer financial decision making. At the time, there was almost nothing like this.

8. Financial Education for the Young?

We started this center, and the finance group hired people in this area. The Center for Research and Consumer Financial Decision Making really played a foundational role. Now there's a field, there's a whole interdisciplinary field of household finance that's focused on consumer financial decision making. We really were part of getting that started. And again, that was just because you hire other people. You get other people, and the other people are good. Then you do really well.

I'll just give you a couple things that I've studied personally that I think are great. We started this conference that's I think is the best conference in the world about this topic, the best interdisciplinary conference that brings industry and academia together and that affects public policy. The first time we ran this conference was in 2010. We invited this entity that's in Denver that is a foundation for research and finance. That's what it does.

I met these people, and I was super impressed. And the reason I was impressed was my earlier exposure had been studying the investment behavior of like the top 20% of people who have assets. These guys are focused on the 80% of people who don't have assets. And I thought that was admirable. They invited me to this

conference they were hosting that was the 20th, their 25th anniversary of funding research about financial education.

I'm like the only person there who's in Denver with my background. They present these white papers of these all-star teams. And the first white paper was about the effects of financial education on behavior. And this guy who was the, uh, the CEO of FINRA, stands up and says, "Well, based on our white paper, given the mixed effects of financial education on actually changing behavior, maybe now is not the time for us to continue to press to have more high school and more states require a high school course in it."

I listened to this, and I nodded my head. However, it turns out the audience went nuts. For a day and a half, they went nuts on this guy because they were firm believers in this kind of early financial education. I thought, wow, I don't know of many research papers, but I think it doesn't make sense either.

WJB: Let me understand. You thought the speaker was on the right side of the issue.

JGL: I thought he was on the right side. Everybody else didn't. I'm literally the heretic in the cathedral. They all are going at this guy like they wanted to kill him, and I'm thinking, "Wow, he's right, but I'm not going to open my mouth because I know I don't know much, and they wouldn't like me if I opened up anyway."

I got a couple colleagues to work with me on this thing that's called a meta-analysis, just a way to summarize literature. We showed the very, very limited effects of early financial education. It does have effects, but it's minor.

WJB: Certainly, that is counterintuitive.

JGL: It is counterintuitive.

WJB: Why wouldn't you want to make young, poor kids in school smarter about handling their money? You would think that, right?

JGL: Exactly. There's a huge financial education industry. At the time I heard this talk, there's a whole literature from psychology about how people learn from cases. It basically shows people are terrible at transferring from one situation to another. So, you learn something in a class, let's say even in a business school class. You learn a case about oligopoly and the Mexican steel industry. You don't translate it when you later see something about oligopoly in a Brazilian telecom or something.

We're bad at analogical transfer. The other thing is that you don't often use this education. Kids get taught this stuff, and they don't use it. We showed in this meta-analysis. It's so obvious. Here's the three things. First, the more of the time you spend on financial education, the bigger effects on behavior. That's obvious. Second, the longer you go from the end of the education to when you look at the measure of the behavior, the less the effect. And the third thing is that those two things interact. This means that how much education you get matters a lot to your immediate behavior, but it doesn't matter at all to your later behavior, because the later behavior has such a minimal effect.

We said this implies you shouldn't be trying to teach these things in high school and grade school. You should do what's called “just in time financial education.” That idea wound up having wide currency, both in industry, and it's quite a basic educational concept. It's embarrassing, because it seems obvious. But the intuition of the true believers was that if you will just teach kids good habits early on, they'll be set for a lifetime. It turns out the problem is they're just not using it. You're sitting there teaching these kids about mortgages and insurance when they're in high school, sometimes a freshman in high school. And it's like a foreign language education class.

WJB: When you think about it from a public policy perspective, there are scarce resources being devoted to doing that, which resources are being taken away from other important goals.

JGL: Exactly! This was very, very controversial, but a lot of people get all this grant money for it. It's not all self-interest. They truly believe it, and think that their intuition is correct. If I taught somebody some fancy statistics, and then they didn't use it for four years, it's as though they never learned it. It's such a basic thing.

One of the things that happens in academia is you have people that are experts study a field, and they come to have a sort of a shared view. If you come from the outside, things that are utterly obvious to somebody from that field are new and then they add insight.

We've done a bunch of things on financial education, and we've promulgated this idea that instead of trying to teach people everything they need to know in one shot, instead it should be this idea of “just in time.” How can you give people the information that they need, and the education they need, when they're close in time to enacting some key behavior?

It turns out that people change jobs all the time, and often people drain their retirement accounts when they change jobs. Well, when you're changing jobs, that's like a moment in time where you really could use some intervention, but if you told people that, it's not going to have any effect.

9. Patrice and the Family

WJB: Let me leave the career and the academic issues. Can you catch me up on the family side with you and Patrice, the kids, their schooling, and what they're up to now.

JGL: We have three kids. Our oldest is Michael, born in 1982. Next is Kevin, born in 1984. And then Emily was born in 1988. In terms of their schooling, they all grew up in college towns. And there was one of them who went to school at one of the college towns where they grew up. Michael, the oldest, and the youngest Emily, both went to Duke. Kevin went to Florida.

In terms of what they do now for a living, Michael was another economics major. He went into finance in investment banking initially, an investment bank. He then went into the real estate unit of JP Morgan Chase. There he met his wife who was in the same analyst class. They have two kids growing up in New York city. He is now a partner in one of the biggest hedge funds in the world called Two Sigma and their whole line of businesses. They're early users of AI for investing in various sectors with AI complimenting real estate strategy.

My middle son Kevin went on to get a master's degree in business analytics and he was working in business analytics as a contractor for Google. He lost his job recently, so he's looking for another.

My youngest is Emily and she was a psychology major at Duke. She honestly felt like she got a great education, but it really didn't give her any saleable skills. So, she wound up starting in market research, originally in Pittsburgh. She is married to another Duke graduate. When he finished his masters, they looked at a number of cities and wound up coming out to our area. They live about 25 minutes away from us.

WJB: Well, that's very nice!

JGL: It is pretty great. She does digital marketing, and he does healthcare. He works in strategy for a biomedical firm. That's what they do.

When we were growing up, I mentioned how we were so close to all our cousins. Well, when our kids were growing up, they were super close to their cousins. One of the cousins who was such a good influence on our kids was Maureen. She and her husband, Ryan Williams moved their family out here and they live five minutes from my daughter, Emily. And again, that's about 25 minutes from us. So, that's great. Now out here in Boulder, we kind of have nirvana. It's a fantastic place professionally and from a family standpoint, we've got it, too.

10. The Marketing Science Institute and Internet Privacy Regulation

WJB: Tell me, if you're still teaching, do you foresee retirement at some point?

JGL: I've just finished a two-and-a-half-year gig as the executive director of this entity called the Marketing Science Institute, which is this amazing nonprofit that was founded back in 1961 by some big east coast firms like Scott Paper. It originally started at Wharton at Penn and some other east coast schools, including Harvard. The whole idea is to have the top business leaders identify emergent issues that they don't understand well, where they need frameworks and data to

move ahead. Like the internet. How should we deal with the internet? Or now it's AI.

What MSI does is it first asks them what their issues are, then it tries to find the big themes. Then it asks, “What does academia know about this?” And if there's not that much research, but you can imagine we could do something, we establish priorities and fund the research.

It's just amazing what's happening. Probably the most interesting thing is all this work happening in marketing concerning the economic effects of privacy regulation, which seems like it's an unvarnished, killer for small business. A killer, killer, killer for small business. It turns out this is because they rely the most heavily on third party customer data. For the big guys, basically the effect of privacy regulation is to increase their concentration.

WJB: Meaning the Googles and Facebooks of the world win?

JGL: Yes. And again, it's counterintuitive, isn't it? The other thing about privacy regulation is that if you look at it, it winds up that the evidence shows it stifles innovation. That's bad.

And then the other thing that happens is that the ones who benefit are the ones who care about it the most, who are the richest, the best educated and the oldest. So, it's like the rules are being set by the rich, the old and the well-educated. For the poor people, it's the opposite. They have the opposite problem, but they're invisible digitally because marketers don't know enough about them. What happens is that nobody's trying to cater to the needs of poor people as much.

WJB: That's a curious position for an academic, right? You're coming out with your research that lets people point at you and say, “You're against privacy, you're against financially educating young people.”

JGL: That's exactly right. You've got the difficult problem of saying, “Well, look at the facts.” In academia, the whole idea is to supply facts, facts plus concepts. I'm not the one who's done this privacy research, but what I did in this position as the executive director was to try to both fund it and put a spotlight on the work.

11. Retirement?

Anyway, it's been great. I know, eventually I've got to retire, but at this point I'm loving what I'm doing.

WJB: John, that's terrific. Thanks, I think that's a good place for us to, to wrap this up.

[The transcript has been edited for length and clarity]