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Brad M. Barber, Teck-Hua Ho, Terrance Odean,

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Introduction to the Special Issue on Behavioral Economics and Finance

Brad M. Barber

Graduate School of Management, University of California, Davis, Davis, California 95616,
bmbarber@ucdavis.edu

Teck-Hua Ho, Terrance Odean

Haas School of Business, University of California, Berkeley, Berkeley, California 94720
{hoteck@haas.berkeley.edu, odean@berkeley.edu}

We are thrilled to introduce the special issue of *Management Science*, titled “Behavioral Economics and Finance.” The theories underlying finance and economics have long relied on behavioral assumptions. After all, risk aversion is merely an observed behavior of individual behavior, but it is now well accepted to assume that agents are risk averse. Surely other common and very human behaviors affect markets and management. Our goal with this special issue was to provide an outlet for research on these issues. We believe that this special issue accomplishes that goal and makes for engaging reading.

The response to the special issue exceeded our expectation—we received 292 submissions. We are proud to say we were able to handle this workload with the same high-quality review process and turnaround goals maintained by the editorial board at *Management Science*. More than 90% of papers were reviewed within 90 days. We could not have accomplished this goal without the support of many individuals. Kathleen Luckey, the tireless and remarkable managing editor of *Management Science*, provided us with phenomenal support. We are truly grateful for her willingness to go the extra mile in handling the large number of papers that we received around the submission deadline. The special issue was the brainchild of Gérard Cachon, the editor-in-chief of *Management Science*. We are grateful for his visionary leadership of the journal and his willingness to devote scarce journal space and resources to this impor-

tant topic. Finally, we are indebted to the remarkable group of associate editors, who gave of their time and expertise. They were critical in ensuring high-quality and prompt feedback to those who submitted papers. We are amazed at the time and talent that many willingly and ably provide to the research enterprise.

In the end, you have before you 29 papers that are separated into two issues; the second issue will publish in February 2012. We have roughly split the papers into a behavioral economics issue and a behavioral finance issue, though there is clearly much overlap between the two. The papers include experimental, theoretical, and empirical papers with a common theme: They all address questions that are answered with a deeper understanding of human behavior. The papers deal with a wide range of behavioral factors that influence outcomes including cultural values, social norms, social networks, attention, familiarity, and ambiguity aversion (to name but a few). Taken together, the papers reveal the promise that behavioral economics and finance hold and provide a strong signal of *Management Science's* commitment to the field.

In closing, we thank all of the authors who submitted to the special issue. The strong response to our call made the issue a success. To those authors whose work appears in the issue, thank you for all of your hard work in navigating the review process while being responsive to the deadlines of the special issue.