

The Home Economist: Don't let your name determine financial actions

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For high school seniors around Miami-Dade County and across the country, the school year has just started. But for so many students, this one brings a slew of culminations, including the last time these kids will line up alphabetically by last name.

While public schools rules say kids can be recognized in any order - for example, by grade point average - most of them, including Miami's John A. Ferguson Senior High School with over 900 seniors, will start the ceremony by calling up students with last names beginning in A and wrap it up with the Zamoras, Zimmermans and Zydels.

"It's fair," said Rae Schultze, the activities director, who notes there was ill-will among students when class rank was the consideration. "You can't argue that C comes before D. No one feels better than anyone."

At least not knowingly. New research proves that this seemingly impartial ordering of kids - it begins in kindergarten and expands to lining up for recess and lunch - will have very real effects in adulthood, resurfacing in how quick people are to spend money on limited-time offers.

Those with childhood last names coming late in the alphabet are so over being last in line, they've developed response tendencies that get themselves in front, says Kurt Carlson, associate professor and director at Georgetown University's Institute for Consumer Research. People whose childhood last names begin with early letters won't feel that urgency, waiting until the last minute to capitalize on offers.

"It's easy for adults to say alphabetical order is arbitrary," Carlson said. "It's not clear to me that kids care it's arbitrary. They care that they're last again and that the chocolate milk is all gone and they have to drink white milk."

Carlson's official studies were conducted on adults, prompted by examining a list of people who received doctorate degrees and answered surveys to report their job placements. Carlson says he was surprised to find that the list, organized by who had replied most recently, was virtually in alphabetical order.

"It turned out everyone at the top of the list had an A, B or C name," Carlson said, "and I thought what a strange coincidence." The phenomenon repeated itself in lists over again, he said.

But in perhaps the most revealing experiment, more than 700 non-student adults were offered \$5 and a 1-in-20 chance to win \$100 for filling out a survey. They were told only the number of slots was limited. The results: The first letter of a man's last name predicted whether he'd reply quickly, as did the first letter of a woman's maiden name. Late in the alphabet, early to claim a chance to win.

"People who are late in the alphabet will go after the limited time deal in a shorter time," Carlson said. "And will find it more attractive."

It makes sense to Qi Wang, a professor of human development at Cornell University, who explains that memory serves the important function of directing our behavior in current and future situations. Things that happened in the past, she said, help us to solve problems.

"Childhood memories have a long lasting impact on how we behave," Wang said. "Oftentimes that influence takes place without us being aware. And that makes it even more powerful."

Carlson's team didn't test whether Z-names were jumping at unfavorable deals or whether A-names were missing important opportunities. And he does believe those factors would have an effect. His wife, for example, might be particularly quick to respond to any offer involving tiramisu.

But what's indisputable is that thanks to auction sales held by websites - eBay.com, Groupon.com, Gilt.com, One KingsLane.com - limited-time offers have increased. We should all consider them carefully before parting with our money, says Christopher Elliott, an Orlando-based consumer advocate and author of *Scammed: How to Save Your Money and Find Better Service in a World of Schemes, Swindles, and Shady Deals*.

For starters, there are no regulations about what comes to the claims "limited supply" and "limited time." And while many online sites will shut sales down after time has elapsed (sometimes reminded with electronic countdowns in the screen corner), the goal is to press us to decide immediately, says Elliott. That doesn't always result in the most economical choices.

"I don't know who came up with the saying, 'You snooze, you lose,' " Elliott said. "But it was probably someone in a marketing department."

Sidebar: WHAT'S IN A NAME?

The first letter of our childhood last names can affect our adult spending decisions, according to a study from Georgetown University's Institute for Consumer Research. People with last names beginning with letters late in the alphabet - surnames starting with U, V, X, Y and Z - are tired of being last. So when supplies are limited, they're quick to spend money on the offer. People's whose start with letters at the top - A, B and C - tend to take their time.

Remembering these tips may help you avoid jumping too quickly on a "deal":

Adults who feel they've benefited or suffered from alphabetical order tend to most vividly remember being lined up this way. "People in the middle are less likely to believe this phenomenon," says Kurt Carlson, the lead researcher from Georgetown.

Childhood memories can affect adults without us knowing, making them even more powerful, says Qi Wang, a psychology and human development professor at Cornell University.

Even if you need an item on offer, shop around, consumer advocate Christopher Elliott says. Price transparency and time are your wallet's best defenses.

As an adult, you won't likely escape the curse or blessing of alphabetical order. Certain speakers at Miami-Dade County school graduations are called upon in this manner. Most references cited in papers

implementing the Harvard System will have sources listed alphabetically by last name. And in Illinois, where officials are worried that online applications for medical cannabis patients will come flooding in, the state medical marijuana agency asked applicants to stagger their submissions, with last names beginning in A through L filing first.