

Researcher Profile

An Interview with Wookjae Heo, Ph.D.

Wookjae Heo is an assistant professor of Consumer Affairs in the Department of Consumer Sciences of South Dakota State University. He earned his doctorate degree in 2016 from the University of Georgia under the guidance of Dr. John E. Grable. Prior to working in academia, he worked for a marketing consulting firm as a strategic marketing planner and consumer research specialist in Korea. Dr. Heo has also been a survey researcher at the governmental research institute, Rural Development Administration. Prior to working at the consulting firm and governmental organization, Dr. Heo received both a master's and bachelor's degree in Consumer Sciences from Seoul National University, South Korea. In between his bachelor's and master's degrees, Dr. Heo served in the Korean military army as a transportation operator and worked at a township office as a computer assistant.



Q. Define what you do professionally.

A. Mainly, I research and teach in the field of consumer affairs and financial planning. My main research areas are: consumer financial decision making and consumers' financial well-being. When investigating these two major topics, my specific research focuses are risk tolerance, financial stress, and usage of diverse data analysis. For instance, I am (a) investigating the economic utility related with financial risk tolerance; (b) developing a new comprehensive scale for measuring financial stress; (c) conducting biophysiological research for finding financial stress impact on financial decision making, and (d) adopting data mining methodologies,

such as artificial intellectual techniques and text mining in financial planning.

I am currently teaching four categories in consumer affairs and financial planning: (a) consumer behavior and decision making courses, (b) consumer affairs and policy analysis courses, (c) consumer research courses, and (d) financial planning courses.

Q. What activities encompass your professional responsibilities?

A. As explained in my previous answer, I research and teach at my academic position. Therefore, I perform the following activities: (a) analyze pre-existed public data (e.g., NLSY79) for empirical studies in the field of consumer sciences with diverse analyzing skills, (b) run a survey (e.g., 1,000 observations) for empirical study with risk tolerance and financial stress scales, (c) do some experiments with biophysiological device (e.g., brain waves) for finding the relevance between financial stress and consumer behavior/decision makings, (d) explore the availability of diverse data mining techniques (e.g., text mining), and (e) teach courses of Consumer Affairs. In addition, I serve as the program leader for Consumer Affair program at South Dakota State University (SDSU). Therefore, a part of my professional roles is to coordinate undergraduate students and graduate students in the Consumer Affairs program at SDSU.

Q. How long have you been engaged in your professional activity?

A. For each research topic, my engagement has slightly different length. From the second year of my doctoral degree trainings in 2012, I've been engaged in insurance planning research. For the research about risk tolerance and financial stress, I joined Dr. Grable's Financial Planning Performance lab around 2014. Because of my financial stress research, I was selected as a featured research doctoral candidate at the University of Georgia in 2016. Also, for my doctoral dissertation, I've adopted a relatively new methodology, Artificial Neural Network, which is one skill of artificial intellectual techniques. For finishing the dissertation, I've started data mining research from 2015. For teaching, I've taught a basic financial planning course at the University of Georgia and SDSU from 2015 until now. For administrative role as a leading faculty of Consumer Affairs, it is the first year of having this activity.

Q. What led you to your professional calling?

A. When I worked at a consulting firm, I notified the huge gap between consumers and financial companies. Many consumers are misunderstanding the financial companies' purpose and see them as predators in a capitalistic world. Also, financial institutes are

struggling with understanding the abnormal decision makings of consumers in the market. This lack of understanding between the two parties is the reason why I returned to academia, specifically in the field of financial planning, counseling, and consumer affairs. There should be a bridge to make each side understand each other.

Q. How are you paid?

A. Whenever I accomplish research findings regardless the impact amount, I feel that I am now filling the gap between consumers and financial institutes with understandable knowledge. If I can fill the gap between consumers and financial institutes, it brings me great joy to know that I am helping both parties understanding each other.

Q. Do you work alone or do you have a team?

A. I prefer to work as a team. On a daily basis, I work in multiple teams. I work with: (a) a cohort team from Georgia, (b) a local team in mid-west area including South Dakota, Wyoming, and Minnesota, and (c) a few college teams at South Dakota State University. The cohort team from Georgia is a multidisciplinary team that includes marketing, risk management and insurance, and the consumer sciences. With the cohort team, I am completing research studies about the impact of financial service (e.g., insurance) on consumers financial decision making and financial well-being. The mid-west team mostly consist of consumer affairs and financial planning experts. With the local team in the mid-west, I am doing some research about consumers' financial decision making and financial stress. With the college teams at South Dakota State University, the research activities are very interesting due to the team being interdisciplinary. The SDSU team looks at the influence of financial stress on fashion-selection, the impact of financial worries on aviation training, a financial stress scale development with psychometric expert, etc.



Q. What theoretical framework guides your work when dealing with clients?

A. I prefer to use the ecological systemic theory that was originally introduced by Deacon and

Firebaugh. The theory is not easy to utilize in the concept of economic utility function like in pure economics. However, thinking that human beings (i.e., consumers) are living in a complex structure like Chaos, the ecological theory is more fitting with the real world. The concept of complexity and the ecological systemic theory have a common point that consumers are influenced by numerous factors of the real world.

Previously, in the era of economics, the numerous factors were delimited to calculate precise marginal effect of consumer behavior. However, by the development of computing skills and techniques, it is possible to include numerous influential factors to explain consumer behavior. Specifically, in diverse field of research areas, human behavior and social phenomena are possibly predicted by using the artificial intellectual techniques. It means that the complexity in consumer behavior can be explained by using the A.I. techniques which is related with ecological systemic theory. By using complexity and ecological systems, clients' behaviors are not only explained with economic function but also explained with lots of psychological and physiological reasons.

Q. What needs to happen so that 10 years from now we can say that financial therapy is a respected field of study?

A. Thinking that the current techniques of artificial intellectual are rapidly improving, the mathematics and statistics will not be significant to predict human beings' behavior. It means that there will be gradual changes of paradigm to consult consumers. Now, the current era is an economic efficiency-empathized era. However, maybe 10 years from now, human being's intuitive functions might be more important than they are now, since all effective calculation can be conducted by high-end techniques like Artificial Intellectual. Therefore, financial therapy may have more importance in the field of consumer financial behavior. For instance, consumer behavior is not rational but heuristic sometimes; however, it is not well described by economic functions. Some economic theories, including prospect theory, may explain the heuristics but can't explain all contextual reason of heuristics. It might happen that only human beings like financial therapists can use the accumulated/intuitive knowledge and explain consumer financial behavior. Therefore, financial therapists can have an important role in future if the current technology keeps progressing to develop the artificial intellectuals.

Q. What benefits can the Financial Therapy Association provide to others doing work that is similar to your professional activities?

A. Accumulation of intuitive knowledge is how the financial therapy association can assist. Since I am a statistically analytic researcher using survey, data mining, and experiments, I know that the analytic researchers are always needing the contextual explanation of

phenomena. The Financial Therapy Association can accumulate the intuitive knowledges of therapist that can be a contextual database for researchers.

Q. If others are interested in finding out more about you personally and professionally, where can they obtain this information?

A. Please contact me via e-mail: Wookjae.heo@sdstate.edu with specific questions.