

Essays in Behavioral Finance - The Role of Social Norms on affecting Preferences and Beliefs

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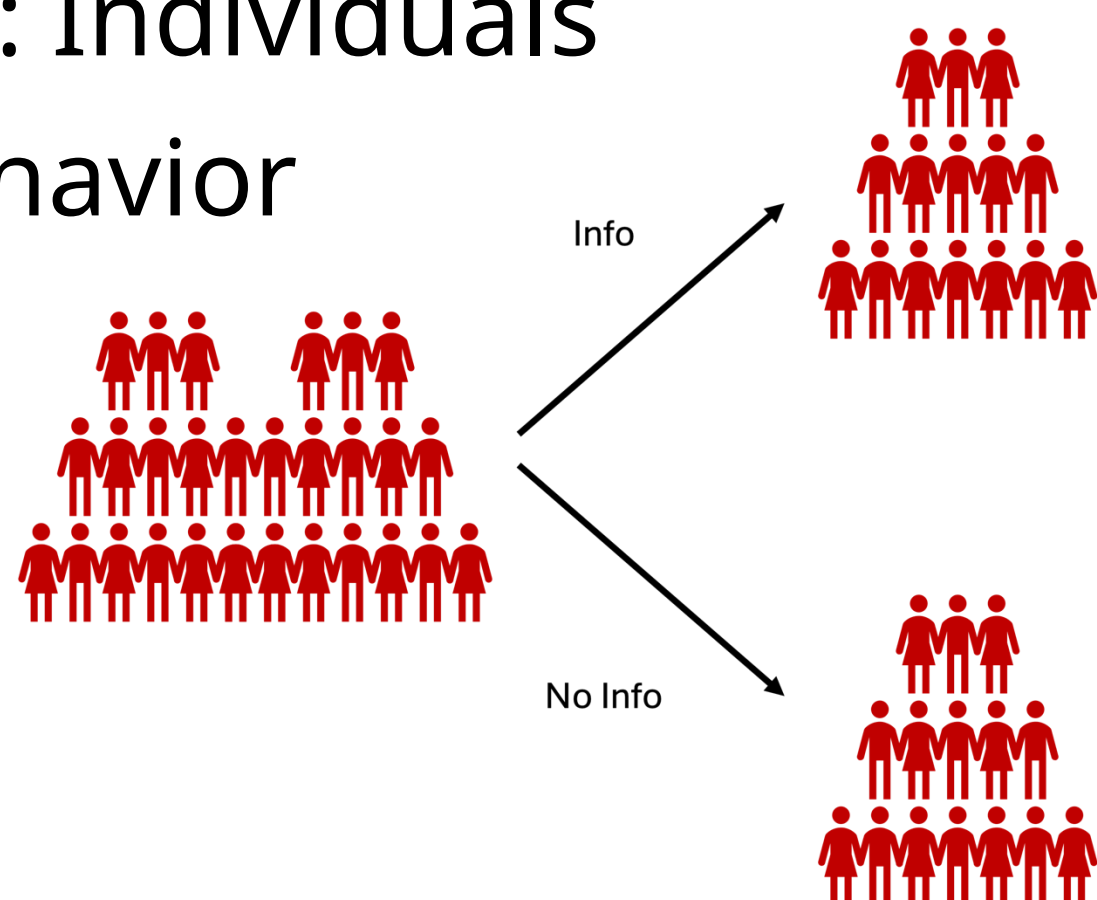
SUSTAINABLE DECISION MAKING

- Climate Change is the greatest challenge of humankind (IPCC, 2023)
- EU Green Deal: Achieving climate objectives through capital markets
- Public AND private funds are necessary
- Individual sustainable (investment) decisions are not fully understood yet



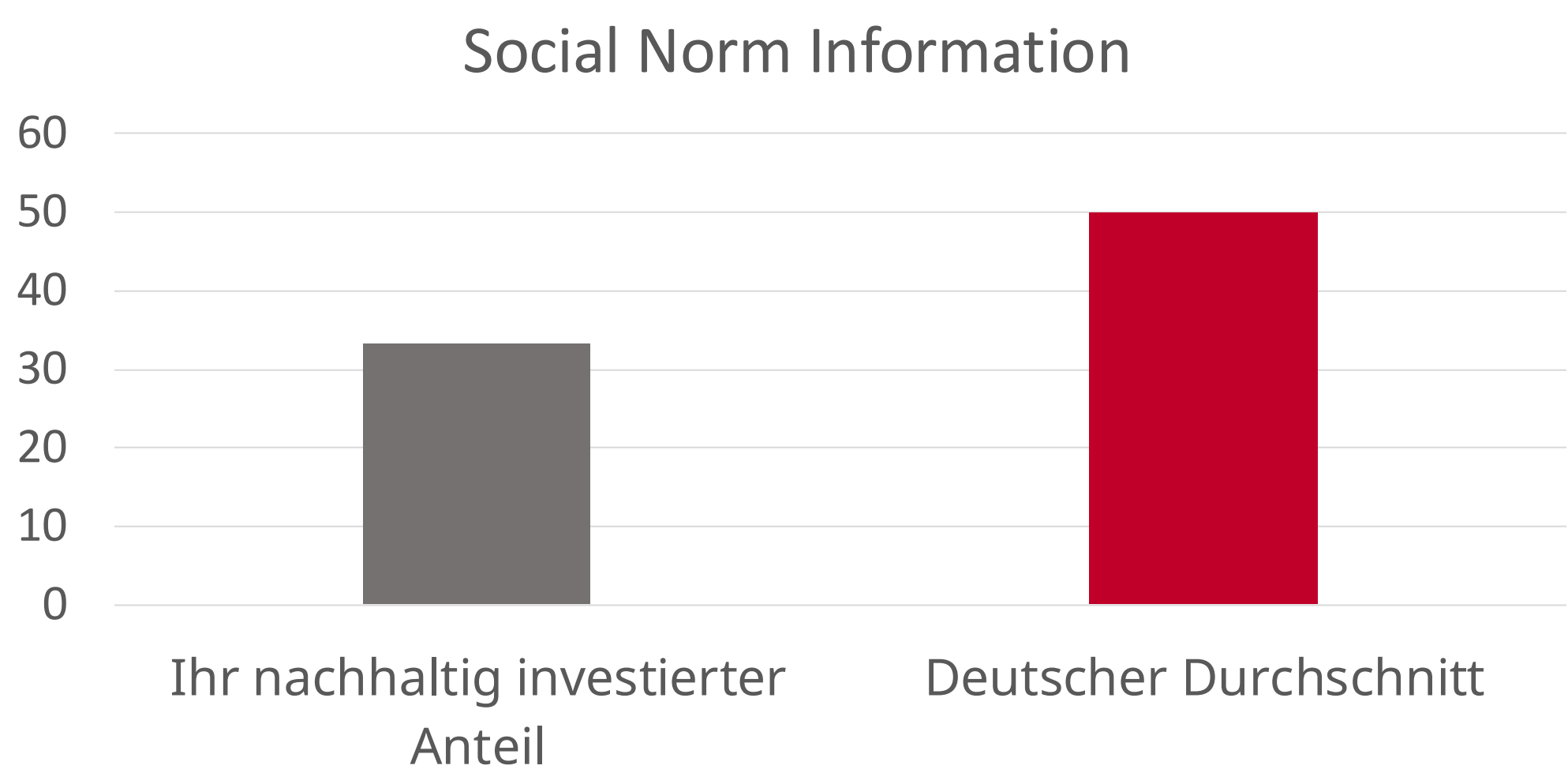
RESEARCH METHODS

- I elicit preferences and beliefs in behavioral experiments
- “Revealed Preferences Paradigm”: Individuals reveal their preferences through behavior
- Decisions need to be incentive compatible & consequential
- To establish causal relationships, I run randomized controlled trials



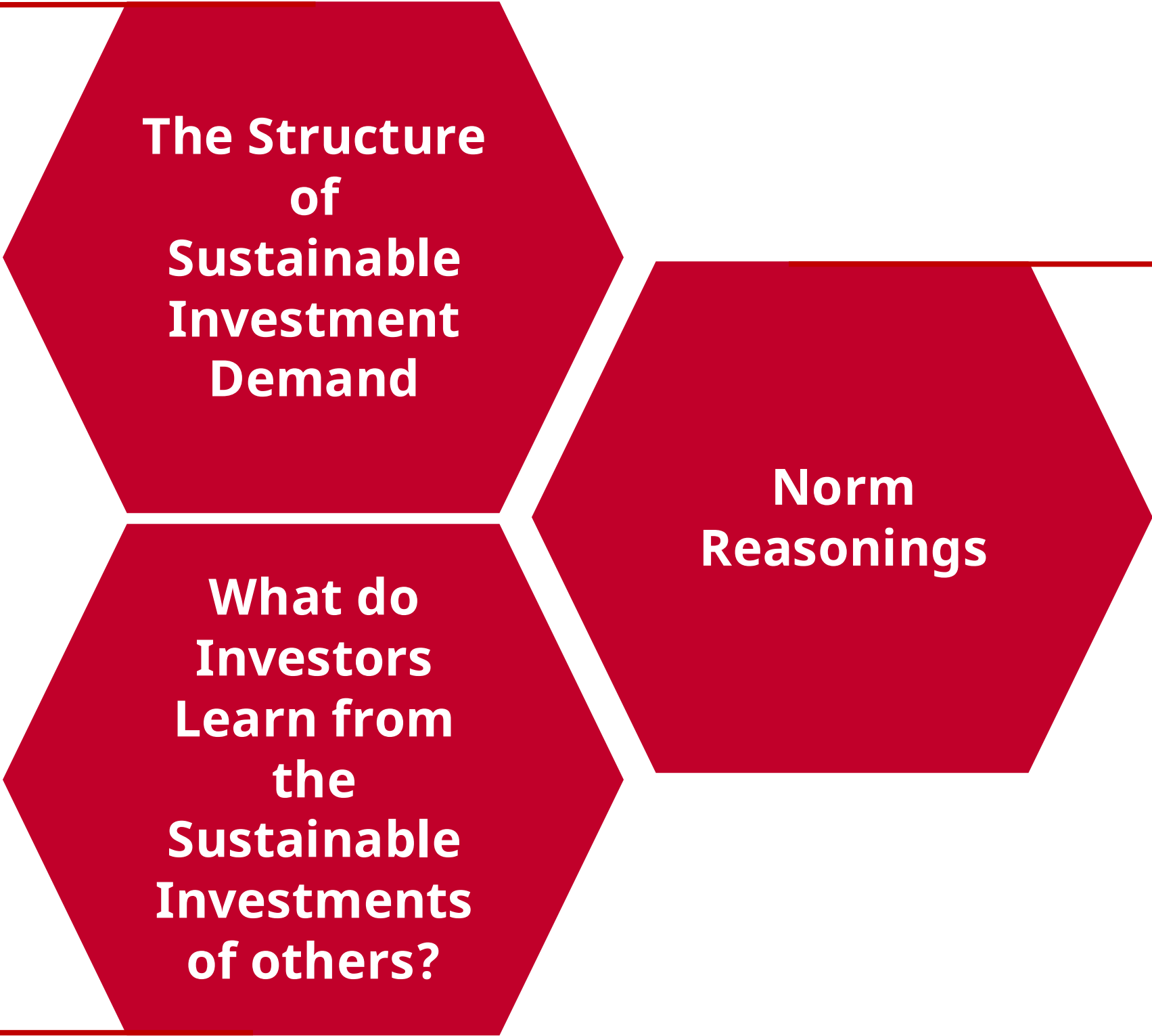
RESEARCH FOCUS: EFFECTS OF SOCIAL NORMS ON ECONOMIC PREFERENCES AND BELIEFS

- Social Norms refer to what most other people are doing in a given situation or what they think one should do (Cialdini et al., 1990)
- Previous literature, across social psychology and economics, finds that social norms affect sustainable behaviors like energy (e.g. Allcott, 2011; Schultz et al., 2007) or water conservation (e.g. Bhanot, 2021; Schultz et al. 2008)
- Social Norm also seem to foster financial behaviors like stock holdings (e.g. Brown et al., 2008) or saving decisions (e.g. Beshears et al., 2015)
- How they drive behavior is not yet clear, although some studies suggest they implicitly transfer information (e.g. Bursztyn et al., 2014)
- Also, effective communication of them is not completely examined



DISSERTATION PROJECTS (CURRENT SELECTION)

- joint with Prof. Dr. Andrej Gill, Prof. Dr. Florian Hett & Marcel Spieske (all JGU)
 - Do private investors have a demand for sustainable investment products?
 - Which economic preferences, beliefs or personal factors determine this demand?
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- single-authored
 - Does social norms influence whether individuals invest sustainably?
 - What are the mechanisms behind this influence?



- joint with Isabell Zipperle (JGU)
- How are social norms effectively communicated?
- Does providing a reasoning for the norm increase adherence?

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