



Upcoming Seminars

Monday, 10.7.2023

Departmental Seminar

13.30-14.30

AWI room 00.010

Uwe Sunde, LMU München

"Preference Convergence Around the World?"

(Host: Dietmar Fehr)

Wednesday, 12.7.2023

Internal Seminar

12.15-13.15

AWI room 00.010

Giovanni Burro, Bocconi Milano

"A Walk Down Memory Lane: How Personal Memories Influence Stock Investment and Information Processing"

(Host: Sebastian Ebert)

Abstracts

Departmental Seminar

Uwe Sunde

"Preference Convergence Around the World?"*

Individual preferences are the core of models of human decision making. While recent evidence has documented substantial global heterogeneity in preferences, both across and within populations, little is known about its dynamics. Here we test whether heterogeneity in time, risk, and social preferences persists, potentially even increases, or instead converges among more recent birth cohorts across and within countries. Using preference measures for 80,000 individuals elicited in representative samples of 76 countries from all continents, we document preference convergence across countries among recent birth cohorts, both in terms of differences in location (means) and scale (standard deviations), and convergence between women and men within

countries. These convergence patterns obtain for countries at different levels of economic development, and with different genetic composition and historical population flows. They do not reflect convergence to preferences of the US population, but are consistent with a cultural convergence to a global average that partly reflect convergence in economic development.

*joint with Rainer Kotschy

Departmental Seminar

Giovanni Burro

"A Walk Down Memory Lane: How Personal Memories Influence Stock Investment and Information Processing"

Investing in the stock market is a pivotal decision in household finance. Stock investment is substantially more profitable than investment in other asset classes. We experimentally test stock market participation and how financial memories influence stock investment. Participants invest in a stock and they are compensated based on the actual price realization of that stock. We conduct two experiments. In the first experiment, we elicit participants' memories about the stock market before (Memory Treatment) or after the investment task (Control). The Memory Treatment polarizes the level of the amount invested in the stock. Positive memories increase the level invested compared to recalling non-positive ones. Moreover, the Memory treatment decreases the amount invested by those who have non-positive memories. In the second experiment, we elicit memories before the investment for all participants. After eliciting memories and before the investment task we provide, to some participants, positive and truthful financial information about the stock they are about to invest in. While information provision increases investment, it only does so for those that do not recall personal memories, as opposed to personal ones. We rationalize our findings in light of a memory-based model that builds upon two main elements of memory recall: similarity and interference.

Talks and Research Visits

Faek Menla Ali will be visiting Christian Conrad from July 3 to 21 (room 01.026). Faek is Associate Professor of Finance at the University of Sussex. His main research focuses on international finance and the broader area of empirical macroeconomics and finance, including volatility modelling, international capital flows, exchange rate dynamics, financial market big data, and financial crises. His research has been published in Journal of Empirical Finance, Journal of International Money and Finance, among other scholarly journals. His research on the role of sentiment in financial markets has been cited by the Financial Times. Faek holds MSc and PhD degrees from Brunel University London.



If you would like to meet Faek, please let him know via his email:

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At the *2023 ESA World Meeting*, Lyon, France, June 26-29, the following talks were given: **Anca Balietti**: "Perceived Relative Income and Preferences for Public Good Provision"; **Pascal Kieren**: "Tests of Recursive Models of Ambiguity Aversion"; **Katharina Momsen**: "Decision Support and Willful Ignorance"; **Stefan Trautmann**: "Higher order risk preferences and economic decisions".

At the *28th Annual Conference of the European Association of Environmental and Resource Economists (EAERE 2023)* in Limassol, Cyprus, June 27-30, several members of the Research Center for Environmental Economics presented the following: **Alexander Dangel**: "Private Alternatives to Public Air Quality Monitoring: A Field Experiment on Sensor Demand, Users, and Use" (joint work with Timo Goeschl); **Tillmann Eymess**: "Perceived Relative Income and Preferences for Public Good Provision" (joint work with Anca Balietti and Angelika Budjan); **Timo Goeschl**: "Self-nudging is more ethical, but less efficient than social nudging" (joint work with Johannes Diederich and Israel Waichman); **Johannes Kammerer**: "Size selective fishing: The effect of size selectivity on the equilibrium yield in the Nile perch fishery of Lake Victoria" (joint work with Santiago Gomez-Cardona and Chrisphine Nyamweya); **Tom Zeising**: "The Efficiency of Environmental Audits and their Role in Reducing Air Pollution Inequality in the US" (joint work with Anca Balietti) and **Florian Diekert** (previously at the AWI): "Subsidizing Compliance: A Multi-Unit Price List Mechanism for Legal Fishing Nets at Lake Victoria" (joint work with Tillmann Eymess, Timo Goeschl, Santiago Gomez-Cardona, and Joseph Luomba).

In addition, **Timo Goeschl** co-organized and participated in a policy session on "Towards a more inclusive transition: Designing policies enabling low-income households to invest in energy efficiency".

Tom Zeisig presented the paper: "Environmental Auditing and Racial Disparities in the US" (joint with Anca Balietti), at the *Royal Economic Society (RES) Ph.D. Conference*, Glasgow, Scotland, June 9, and at the *Sustainability Environmental Economics and Dynamic Studies (SEEDS) Conference*, Ferrara, Italy, May 4-6.

Editorial deadline for issue 20/2023 of the newsletter:
Wednesday, July 12, 2023, 12 p.m.
newsletter@awi.uni-heidelberg.de