



Upcoming Seminars

Wednesday, 24.07.2024 Internal Seminar

12.15-13.15

AWI room 00.010

Marina da Silva Rapp

"Does Stock Market Turmoil
Affect Household Stock Market Expectations?"

Thursday, 25.07.2024

External Seminar

12.00-13.00

AWI room 01.030

[Christian Zimpelmann](#), IZA

"Proud to Not Own Stocks: How Identity Shapes
Financial Decisions"

Abstracts

Internal Seminar

Marina Da Silva Rapp

"Does Stock Market Turmoil Affect Household Stock Market Expectations?" *

Using an event study, we estimate the causal effect of turmoil in the US stock market on households' stock market expectations. After substantial market downturns, households lower their expected probability of a stock market increase by approximately two percentage points. This effect is driven primarily by respondents holding stocks in their savings and investment accounts. Stockholders believe that higher interest rates go along with better stock market performance. In response to market turmoil, they expect interest rates to decline and, consequently, lower their probabilistic expectation of a stock market increase. In contrast, neither the interest rate nor the stock market expectations of non-stockholders are affected by market turmoil.

* joint work with Christian Conrad und Alexander Glas.

External Seminar

Christian Zimpelmann, IZA

"Proud to Not Own Stocks: How Identity Shapes Financial Decisions" *

This paper introduces a key factor influencing households' decision to invest in the stock market: how people view stockholders. Using surveys we conducted with nearly 8,500 individuals from eleven countries, we document that a large majority of respondents view stockholders negatively -- they are perceived as greedy, gambler-like, and selfish individuals. We then provide experimental evidence that such perceptions of identity-relevant characteristics causally influence decision-making: if people view stockholders more negatively, they are less likely to choose stock-related investments. Furthermore, by linking survey and administrative data, we show that negative perceptions strongly predict households' stock market participation, more so than leading alternative determinants. Our findings provide a novel explanation for the puzzlingly low stock market participation rates around the world, new perspectives on the malleability of financial decision-making, and evidence for the importance of identity in economic decision-making.

* joint work with Luca Henkel.

Talks and Research Visits

Giovanni Burro attended the *8th Household Finance Workshop* held by the *Leibniz Institute for Financial Research SAFE* in Bad Nauheim from 11-12 July 2024.

Ming Dai gave a talk on "Following social norms, signaling, and cooperation in the repeated public goods game" at the *Thugauer Institute of Economics (TWI)* at Konstanz on 27th June 2024.

Sebastian Ebert visited the *University of Hamburg* on July 15 and 16 for the on-site review of the renewal proposal of the research training group *Collective Decision-Making*.

Jürgen Eichberger presented a paper on "Data, Cases and States" at the *FUR 2024 conference* at the *University of Queensland* in Brisbane held from 3 – 6 July, 2024. <https://www.furconference.org/programme/>

Julian Matthes gave a talk on "Don't Put All Your Legs in One Basket: Theory and Evidence on Competition in Road Cycling" at the *Conference on Mechanism and Institution Design*, held at *Corvinus Uni Budapest* from July 8 to 12, 2024.

David Piazzo gave a talk on "German Vote and its consequences: (Un)reliable parties in multilateral bargaining under private information" at the *Conference on Mechanism and Institution Design*, held at *Corvinus Uni Budapest* from July 8 to 12, 2024.

Christiane Schwieren gave a talk on "Understanding Dark Personality Traits and Strategic Choices in an Inspection Game: Insights from Machine Learning" at the *ESA World Meeting* in Bogota from June 20-22, 2024; as well as an invited talk on "Do women overprepare?" at the *Universidad de los Andes* the 17th of June, 2024; and an invited talk at *EM Lyon Business School's Workshop on Health at Work* with the title "Mental Health and Stress in the workplace – the role of gender".

Miscellaneous

Vinicius Ferraz and **Tamas Olah** successfully defended their PhD work at the AWI. Congratulations!

New and Leaving Staff

Dilshani Ranawaka, MA (Hons.) University of Colombo, started as a PhD student in the team of Prof. Christiane Schwieren. She is hoping to explore especially how different personality types influence job search, mainly looking in the context of Sri Lanka in comparison to the rest of the world. She is also a part-time blogger. Welcome!