Paper:
Authors: M. Rossi, D. Sansone, A. van Soest*, & C. Torricelli
Discussant: P. Verhallen

*presenter
Summary

• The authors analyze:
  • Actual behavior + stated preferences of a representative sample of the Dutch population w.r.t. choosing socially responsible (SR) investments

• Findings:
  • Latent demand for SR investments
    • Especially for highly educated individuals + women
  • Estimate effectiveness of certain types of ethical investments
Thoughts:

• Convincing (to me) justification for research avenue; argumentation for identifying optimal framing & nudging of SR investment alternatives

• Introduction:
  • Risk/volatility of financial products mentioned early on, but not incorporated / argued (also “in this work”)?
  • Provide concrete data points w.r.t. SR investment growth, market size in NL?
  • Further clarify degree of compensation for SR products; include level of return
Thoughts

• Literature review:
  • Concrete definition of socially responsible investments?
  • Provide overview of LR points in 1st paragraph?
    • Opening paragraph opens with multi-attribute utility function / need for empirical evidence of this utility, transitions to CSR fund performance, then back to agent decisions to invest in SR
Thoughts

• Survey design: Questions
  • Q1 (/2-4): any measure of approximate amount of SR investments currently held?
  • Last option Q5 + Q6 = fixed, single non-monetary compensation; argue that utility = higher than, e.g. 2nd SR only alternative; but perhaps individuals take into account time horizon? Last option = single fixed benefit vs. continuous interest.
  • What about SR-related (CVP value-adding) benefit as opposed to non-SR (CVP irrelevant) non-monetary incentive?
  • Randomized order of Q5 – Q8? (to avoid spillover effects from similar answer options; e.g. choice b in Q5 & Q6)
  • Randomized Q5 / Q6 options b. & c.? 2x2; why not same?
  • Why not binary choices (traditional vs. SR; then randomize SR offering: no info, w/info, w/o present, w/present)?
  • Justify choice 5,000 & 10,000? (e.g. 10,000 may be easier for financially illiterate’s calculations of the interest alternatives)
  • Microcredit to women / gender effect? Justification for specifically choosing women given hypothetical scenario?
  • Difficulty = 35% (female 42%); feedback on why?
  • Force response time (to stimulate reading; given possible naïve respondent attempt at diversifying between investments in Q7
Thoughts

• Descriptives:
  • 10% latent demand mentioned (explicit desire), but perhaps place more emphasis on the implicit desire (31.7% and 43.1% SR investments chosen from choice set)?
  • Highlight/correct for SR investments in pie charts = 2/3 options (bias / higher probability)?
  • Mention 25% (remainder) allocate less than 50% to SR (Q7), to avoid reader doing calculation?
Thoughts

- Descriptives:
  - Figure 3:
  - Book = not CVP-consistent for SR investors
Thoughts

• Avenues for future follow-up studies:
  • Incorporate risk/volatility tradeoff w.r.t. SR investments?
  • Choice-based conjoint analysis of investment options?
    • Identify which attributes, and which levels, are preferred by respondents?
    • Link to extensive CentER socio-demographics + psych measures?

• Misc:
  • Copy-edited paper (will e-mail)
  • Q4 missing in appendix