



The power of information nudges for individual sustainable investing

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1. Background

- Determinants of individual sustainable investing:
 - Pecuniary and non-pecuniary motives matter (e.g. Riedl and Smeets, 2017; Gutsche and Ziegler, 2019)
 - But: Too high information costs and too little knowledge (e.g. Gutsche and Zwergel, 2020)
- **What information can nudge investors to sustainable investments?**
 - Financial information (e.g. Glac, 2009; Doskeland and Pedersen, 2016, Seifert et al., 2024)
 - Moral information / environmental information (e.g. Doskeland and Pedersen, 2016; Seifert et al., 2024; Janz et al., 2025)
 - Social norms
 - Energy consumption (e.g. Allcott, 2011)
 - Retirement investments (e.g. Beshears et al., 2015)

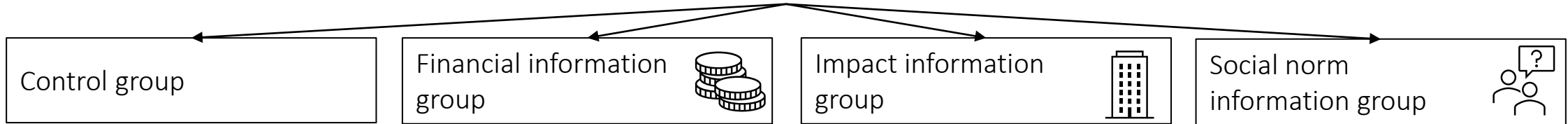
- Do different investors value information differently?
- Previous studies:
 - Socio-demographic characteristics and attitudes matter (e.g. Bernard et al., 2021)
 - Wealthy investors are more responsive to financial frames than less wealthy investors (Doskeland and Pedersen, 2021)
- Further potential channels:
 - Financial literacy (e.g. Seifert et al., 2024)
 - Altruism

2. Data



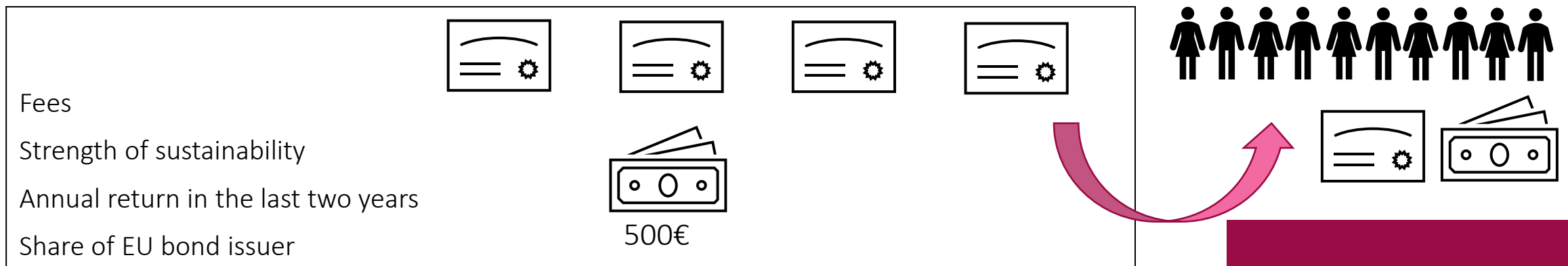
- Large-scale computer-assisted online survey
- Conducted May – July 2021
- 1,622 respondents
- Households' financial decision maker
- Representative with regard to age, gender, and place of residence in Germany

The experiment



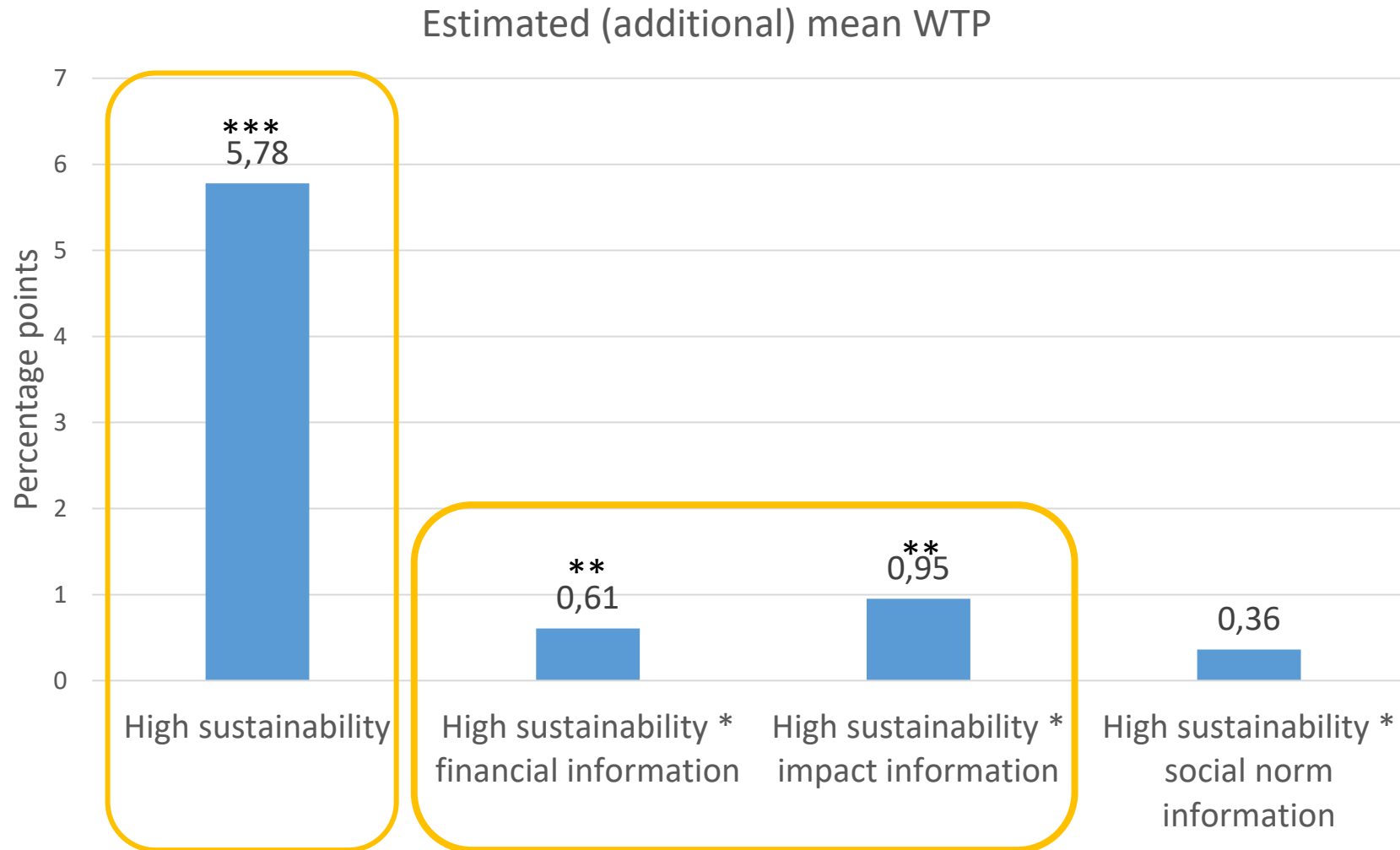
Description of experiment

No information	Sustainable investments can perform superior compared to conventional investments (Friede et al., 2015)	By considering ESG criteria, investors can encourage companies to act more sustainably (Kölbel et al., 2020)	Other investors often consider sustainability criteria when investing (Gutsche, 2019)
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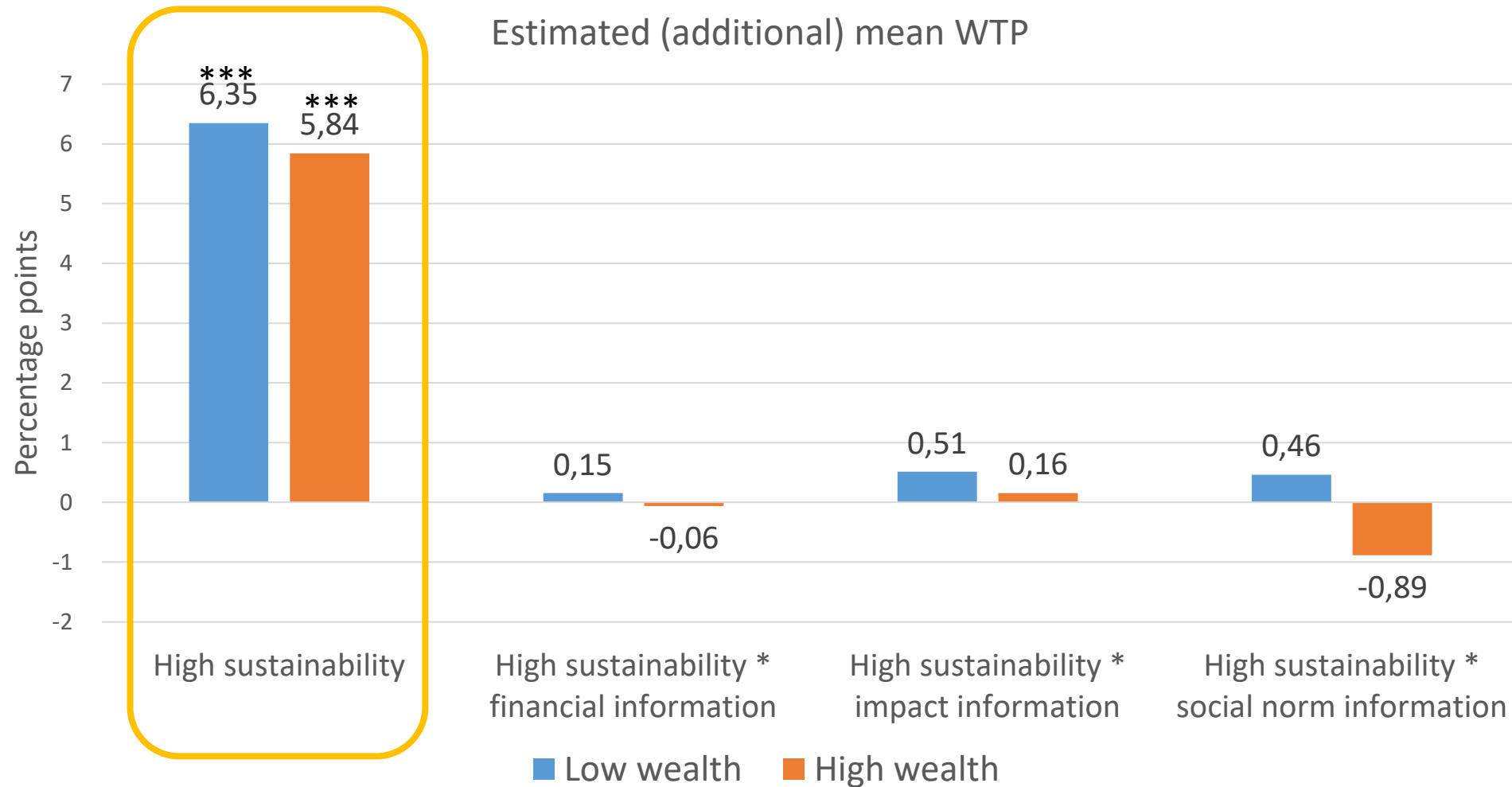
3. Results

Average estimated treatment effects



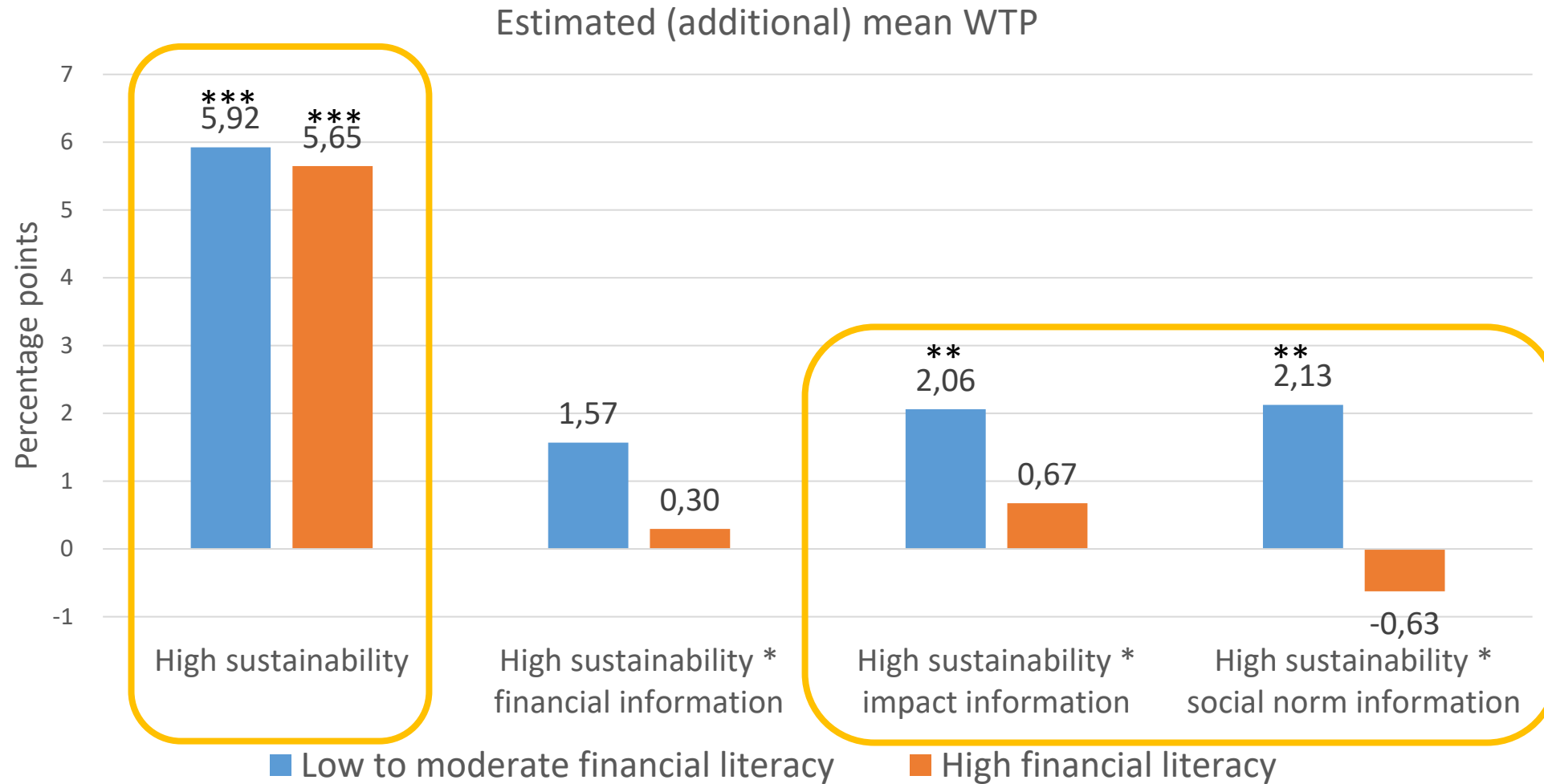
- Individual investors have a positive WTP for sustainable bond funds in all groups
- Financial or impact information increase the WTP for sustainable bond funds

Heterogeneity analysis: Wealth



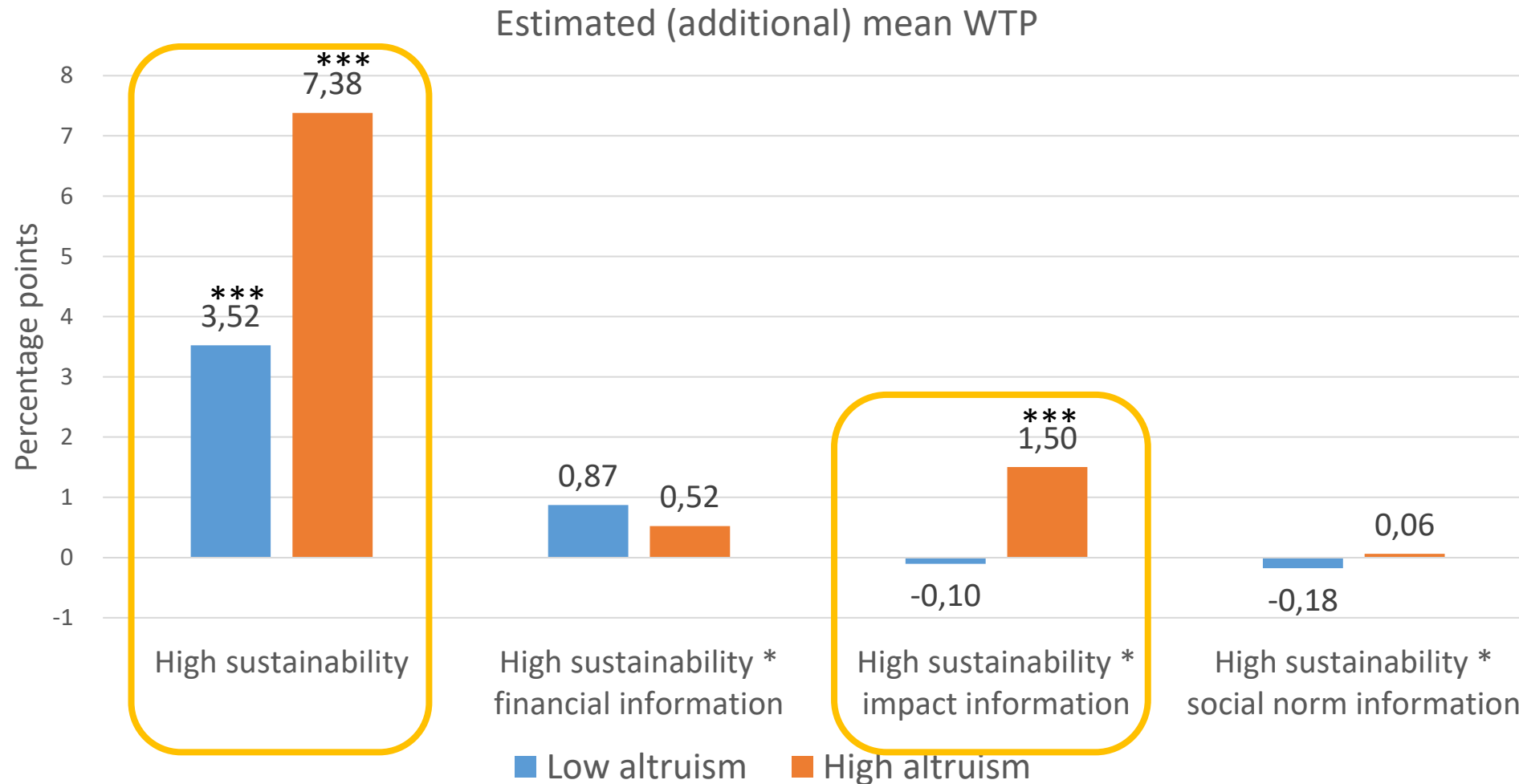
- Wealth does not seem to drive investors' heterogeneity in their reactions to different information frames

Heterogeneity analysis: Financial literacy



- Information on potential impacts and the social norm increase the WTP for sustainable bond funds among investors with a low to moderate financial literacy.

Heterogeneity analysis: Altruism



- Information on potential impacts increase the WTP for sustainable bond funds among altruistic investors

4. Conclusion and outlook

- The provision of financial and impact information seems to be effective measures to nudge individual investors to sustainable investments
- But: Effectiveness partly depends on individual characteristics
 - Financial literacy
 - Altruism
- Potential problems
 - Bank advisors might exploit WTP of financially illiterate investors
 - „Wrong“ kind of information may spread and foster herding

Thank you so much for your attention!