Abstract

Abstract: Does access to financial expertise influence behavior? We study this question by analyzing financial market participation in response to an individual’s family member becoming a finance professional. Comprehensive register data allow us to track the family members’ career transitions into finance jobs and to relate these transitions to an individual’s holdings of stocks and mutual funds. Two identification strategies utilizing within-individual variation reveal a strong positive relation between access to financial expertise and financial market participation. Our results suggest access to financial expertise affects behavior, particularly when it involves a social setting fostering trust in the expert. These findings are relevant for understanding the design of policies attempting to improve financial literacy.

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