FAKULTÄT FÜR BETRIEBSWIRTSCHAFTSLEHRE
Lehrstuhl für ABWL und Corporate Governance
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Seminar HWS 2023 "Current topics in Finance"

Note:
An odd topic number implies that the topic is a literature review (6 weeks), e.g. NR1/NR3/…
An even topic number implies that the topic is an empirical topic (8 weeks), e.g. NR2/NR4/…

TOPIC NR1/NR2:   **Gender Stereotypes in Corporate Disclosures**
                                      Advisor: Luisa Langer

TOPIC NR3/NR4:   **Language Bias in Financial Education Programs**
                                      Advisor: Luisa Langer

TOPIC NR5:   **Germany's "Aktienrente" – a (good) solution?**
                                      Advisor: Vanessa Müden

TOPIC NR6:   **Social and Psychological Factors Influencing Stock Market Participation**
                                      Advisor: Vanessa Müden

TOPIC NR7/NR8   **The New Investor – Evolution of stock market investment in Germany**
                                      Advisor: Vanessa Müden

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TOPIC NR1/NR2: Gender Stereotypes in Corporate Disclosures

Advisor: Luisa Langer

There are four dimensions in gender stereotypes, concerning: (1) physical characteristics, (2) role behaviors, (3) occupational status and (4) personality traits. Research on printed advertisements notes that women are generally presented in more decorative roles (e.g., for their beauty or body), in more family-oriented roles, and in fewer professional roles (Uray and Burnaz, 2003) while men are shown as more independent, authoritarian, and professional (Reichert and Carpenter, 2004). However, the use of femvertising (i.e., advertising that shows women in higher status/empowered roles) is gradually increasing. Emerging research suggests that femvertisements resonate with women because female empowerment messages can counter these historical and existing gender stereotypes and create positive self-views for women (Abitbol and Sternadori 2019; Varghese and Kumar 2020).

A nascent literature explores economic consequences of physical traits (e.g., voice pitch, individual's height and obesity, facial width-to-height ratio) and how these influence decision-making behavior (He et al., 2019; Mayew and Venkatachalam, 2012; Addoum et al., 2017). Moreover, the literature about female roles in advertising supports the idea that certain roles relate more to specific magazine audiences; hence, gender stereotypes might vary across different magazine categories. Given the increasing interest of companies in achieving gender equality, what is yet to be explored is the stereotypical gendered representation in corporate disclosures, such as annual reports.

Goals/Requirements:

- **NR1: Literature review (6 weeks)**

The goal of this seminar thesis is to provide a comprehensive literature review on gender stereotypes. The discussion can include but it is not limited to (1) understand the history behind gender discrimination by observing changes in gender equality law and regulations, (2) provide an overview of the academic literature on gender stereotypes in advertisements and on facial representation and behavior, (3) analyze potential ways to overcome gender stereotypes including the rise of femvertising, and (4) find out examples of companies (in Germany and/or the United States) that are committed to gender equality as evidenced in their corporate disclosures.

- **NR2: Empirical topic (8 weeks)**

The goal of this seminar thesis is to assess gender stereotypes in company's annual reports. The student is expected to access the DAX companies' annual reports for the last 2-3 years and obtain the photos used in those reports. The student should use Zotos and Tschila (2014) gender stereotypes coding template to evaluate gender roles in these annual reports. The analysis can include but it is not limited to (1) how are women portrayed in the annual reports, (2) key categories in which there is evidence of gender stereotypes, (3) how gender roles differ across companies and over time. Empirical work for this topic requires the use of content analysis, manipulation of data, and the application of statistical analysis.

Introductory Literature:

- He, X., Yin, H., Zeng, Y., Zhang, H., and Zhao, H. (2019). Facial structure and achievement drive: Evidence from financial analysts. Journal of Accounting Research, 57(4), 1013-1057.
- Sterbenk, Y., Champlin, S., Windels, K., and Shelton, S. (2022). Is Femvertising the new greenwashing? Examining corporate commitment to gender equality. Journal of Business Ethics, 177(3), 491-505.
- Zotos, Y., and E. Tsichla. (2014). Snapshots of men and women in interaction: An investigation of stereotypes in print advertisement relationship portrayals. Journal of Euromarketing 23(3), 35-58.

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TOPIC NR3/NR4:	**Language Bias of Financial Education Programs**
Advisor:	Luisa Langer

Targeted financial education programs are relevant for addressing the gender gap in financial literacy. Using financial education websites targeting beginning retail investors, Boggio et al. (2017) find that words are predominantly and (stereo)typically masculine, so the language of investor communication may create feelings of familiarity and belonging among men while creating feelings of distance and non-belonging among women. Lusardi (2019) notes that an effective financial education program identifies the needs of its audience, accurately targets vulnerable groups, has clear objectives, and relies on rigorous evaluation metrics.

Within the social sciences, an increasing consensus among researchers suggests that men, relative to women, tend to use language more for the instrumental purpose of conveying information; while women are more likely to use verbal interaction for social purposes with verbal communication serving as an end in itself (e.g., Brownlow et al., 2003; Colley et al., 2004). The linguistic analyses of Newman et al. (2008) demonstrate small but systematic differences in the way that men and women use language, both in terms of what they say and how they choose to say it. Oldford and Fiset (2021) document gendered language differences in internship job postings in the finance industry and contend that the use of excessively agentic language acts as a constraint on female applicants and slows progress on gender diversity in the finance industry.

Goals/Requirements:

- **NR1: Literature review (6 weeks)**

The goal of this seminar thesis is to provide a comprehensive review of the literature on financial education programs designed for women. The discussion should include but is not limited to (1) identifying the need for and/or reasons behind targeted financial education programs, (2) investigating the (potential) influence of financial education programs on women empowerment and financial independence, (3) providing an overview of the literature on language bias and communication differences between men and women, and (4) finding out examples of financial education programs designed specifically for women across the world and their target audience (e.g., financial literacy, access to stock markets, retirement planning, financial independence).

- **NR2: Empirical topic (8 weeks)**

The goal of this seminar thesis is to evaluate the language content of financial education programs that are designed to empower women and foster their financial independence. Identification and hand-collection of the content of these programs is required. The student can make use of websites, apps, blogs, or any free material available for a sample of at least three financial education programs in any country (e.g., Germany, the United States). Following the approach of Newman et al. (2008), the student should perform a linguistic analysis to assess language bias of targeted financial education programs, and how their context influences the size and direction of gender differences in language use. Access to the linguistic software will the provided by the Chair.

Introductory Literature:

- Newman, M. L., Groom, C. J., Handelman, L. D., and Pennebaker, J. W. (2008). Gender differences in language use: An analysis of 14,000 text samples. Discourse processes, 45(3), 211-236.
- Niessen-Ruenzi, A., and Ruenzi, S. (2019). Sex matters: Gender bias in the mutual fund industry. Management Science, 65(7), 3001-3025.
- Oldford, E., and Fiset, J. (2021). Decoding bias: Gendered language in finance internship job postings. Journal of Behavioral and Experimental Finance, 31, 100544.

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TOPIC NR5: Germany's "Aktienrente" – a (good) solution?

| **Advisor:** | Vanessa Müden |

Germany's pension system is confronted with substantial challenges in guaranteeing sufficient retirement income and long-term sustainability. To address these challenges, the German government has put forth a proposal known as Aktienrente, which aims to stabilize the pension system. As part of this initiative, a significant annual allocation of ten billion euros will be directed towards a dedicated fund called "Generationenkapital" (generational capital).

The core objective of Aktienrente is to leverage the potential of the capital market by investing a substantial amount from the late 2030s onwards. This investment is intended to ensure the long-term stability and viability of the pension system. By engaging with the capital market, the government aims to generate higher returns and diversify the pension funds, thereby strengthening the overall financial position of retirees.

Goals/Requirements:

- **NR5: Literature review (6 weeks)**

This literature review critically examines the implications and potential advantages of the Aktienrente proposal in light of the German government's initiative. It explores how such a market-based approach can contribute to addressing the existing challenges in the pension system, such as demographic shifts, financial sustainability, and the growing gap between pension obligations and available resources. By analyzing the potential benefits of Aktienrente, including the possibility of higher returns on investment, the diversification of pension portfolios, and the potential for economic stimulation, this research aims to shed light on the effectiveness and feasibility of this timely government proposal.

The findings of this thesis should provide valuable insights for policymakers, researchers, and stakeholders involved in pension reform discussions. By comprehensively examining the implications and advantages of Aktienrente, this research contributes to the ongoing dialogue on how best to ensure the adequacy and sustainability of Germany's pension system in the face of evolving demographic and economic realities.

Introductory Literature:

- Werding, M., & Läpple, B. (2021). Gesetzliche Aktienrente: Übergänge zu einer flächendeckenden Altersvorsorge mit Teilkapitaldeckung. Bochum: Ruhr Universität.
- Megginson, W. L., Lopez, D., & Malik, A. I. (2021). The rise of state-owned investors: sovereign wealth funds and public pension funds. Annual Review of Financial Economics, 13, 247-270.

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TOPIC NR6: Social and Psychological Factors Influencing Stock Market Participation

Advisor: Vanessa Müden

Stock market participation is influenced by an interplay of various factors that shape individuals' investment decisions. While certain determinants like income, wealth, risk aversion, and financial literacy have received substantial scholarly attention in the context of stock market participation, there has been less focus on the empirical exploration of social and psychological factors that influence individuals' investment decisions. Notably, peer effects have been identified as a potential driver, wherein individuals are influenced by the investment decisions and behaviors of their peers, leading to a potential contagion effect (Ali-Rind et al. 2023; Markku/Knüpfer, 2012). Moreover, family and school socialization may play a pivotal role in shaping individuals' financial attitudes and behaviors (Soyeon et al. 2010). Furthermore, societal norms and stereotypes regarding gender and finance could have a significant impact on individuals' perceptions of investing, contributing to gender disparities in stock market engagement (Ke, 2018). Moreover, partner dynamics, encompassing the assignment of financial responsibilities and decision-making authority within couples, have yet to receive sufficient attention as influential factors that affect stock market participation and may be further investigated in the seminar thesis.

Goals/Requirements:

- **NR6: Empirical topic (8 weeks)**

This seminar thesis aims to empirically explore the social and psychological factors that influence stock market participation in Germany. Specifically, it should investigate the impact of peer effects, socialization through family and school, partnership dynamics, social norms regarding gender and finance. Further potential factors that could be investigated are distorted perceptions, such as time estimation, attitudes towards money and stocks, intertemporal optimization, and confidence levels. By analyzing these factors empirically, this seminar thesis seeks to enhance the understanding of the complex socio-psychological dynamics that shape individuals' decisions to invest in the stock market. Prior experience with statistical software is helpful. Data can be provided by the chair.

Introductory Literature:

- Ali-Rind, Asad, Sabri Boubaker, and Souad Lajili Jarjir. "Peer effects in financial economics: A literature survey." Research in International Business and Finance (2023): 101873.
- Kaustia, Markku, and Samuli Knüpfer. "Peer performance and stock market entry." Journal of Financial Economics 104.2 (2012): 321-338.
- Shim, Soyeon, et al. "Financial socialization of first-year college students: The roles of parents, work, and education." Journal of youth and adolescence 39 (2010): 1457-1470.
- Ke, Da. "Cross-country differences in household stock market participation: The role of gender norms." AEA Papers and Proceedings. Vol. 108. 2014 Broadway, Suite 305, Nashville, TN 37203: American Economic Association, 2018.

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TOPIC NR7/NR8:   **The New Investor – Evolution of stock market investment in Germany**

Advisor: Vanessa Müden

In Germany, stock market investment has experienced significant changes in recent years. Technological advancements have enhanced accessibility, with online platforms and trading apps making it easier for individuals to engage in the market. Algorithmic trading and automation have revolutionized investment strategies, improving efficiency and market liquidity. The democratization of investing has led to increased participation from diverse groups, including women and younger investors. The integration of sustainable investing principles has gained momentum, emphasizing environmental, social, and governance (ESG) factors. Regulatory frameworks have evolved to prioritize investor protection and market integrity. These transformations have presented both opportunities and challenges for investors, requiring adaptability and informed decision-making in this dynamic environment.

Goals/Requirements:

- **NR7: Literature review (6 weeks)**

The goal of this seminar thesis is to provide a comprehensive review of the literature on the evolving landscape of stock market investing and the underlying factors that have shaped its transformation. Students are encouraged to explore various aspects, such as the impact of technological advancements on stock market investing, including the role of digital platforms, trading apps, and robo-advisors. They may also delve into the shifting investor demographics, investigating changing profiles, preferences, and generational disparities in investment behavior and risk appetite. Furthermore, students can examine the evolution of investment strategies, focusing on the growing prominence of ESG (Environmental, Social, and Governance) investing and its consequential effects on stock market dynamics. While these themes serve as starting points, students are encouraged to explore other relevant dimensions and contribute fresh insights to comprehensively understand the changing landscape of stock market investment.

- **NR8: Empirical topic (8 weeks)**

The objective of this empirical paper is to conduct a comprehensive analysis of the dynamic landscape of stock market investing, exploring the factors that have driven its evolution. Students are encouraged to delve into empirical research to examine key aspects of this transformation. They can (but are not limited to) investigate the impact of technological advancements on stock market investing, analyze the shifting investor demographics and explore the evolution of investment strategies (see suggestions made for topic NR7). By employing empirical methods, students can contribute to a deeper understanding of the empirical realities and implications of the changing landscape of stock market investment. Prior experience with statistical software is helpful. Data can be provided by the chair.

Introductory Literature:

- Diaz-Rainey, Ivan, Gbenga Ibikunle, and Anne-Laure Mention. "The technological transformation of capital markets." Technological Forecasting and Social Change 99 (2015): 277-284.
- Pinney, Chris, Sophie Lawrence, and Stephanie Lau. "Sustainability and capital markets—Are we there yet?." Journal of Applied Corporate Finance 31.2 (2019): 86-91.