

Investing White Paper References

The planning phase for finEDge involved reading and summarizing a current body of research about investing. The references listed below are a summary of that research, but this list is not exhaustive. Decisions regarding content were made during and after writing that involved additional research and information as well as feedback from external experts.

References

- Agnew, Steve, and Neil Harrison. "Financial Literacy and Student Attitudes to Debt: A Cross National Study Examining the Influence of Gender on Personal Finance Concepts." *Journal of Retailing and Consumer Services* 25 (July 2015): 122–29. doi:10.1016/j.jretconser.2015.04.006.
- Alan, Sule. "Entry Costs and Stock Market Participation over the Life Cycle." *Review of Economic Dynamics* 9, no. 4 (October 2006): 588–611. doi:10.1016/j.red.2006.06.003.
- Almenberg, Johan, and Anna Dreber. "Gender, Stock Market Participation and Financial Literacy." *Economics Letters* 137 (2015): 140–142.
- Altman, Morris. "Implications of Behavioral Economics for Financial Literacy and Public Policy." *The Journal of Socio-Economics* 41, no. 5 (October 2012): 677–90. doi:10.1016/j.socec.2012.06.002.
- "Americans Avoid Investing in Stock Market—Money Pulse | Bankrate.com." Accessed January 9, 2017. <http://www.bankrate.com/finance/consumer-index/money-pulse-0415.aspx>.
- Ameriks, John, Andrew Caplin, and John Leahy. "Wealth Accumulation and the Propensity to Plan." *The Quarterly Journal of Economics* 118, no. 3 (August 1, 2003): 1007–47. doi:10.1162/00335530360698487.
- Armour, Timothy. "You Don't Have to Settle for Average Investing Returns. Here's Why." *Wall Street Journal*, October 18, 2016, sec. Markets. <http://www.wsj.com/articles/you-dont-have-to-settle-for-average-investing-returns-heres-why-1476717440>.
- "Asset Management: Active versus Passive Management." Accessed December 22, 2016. <https://www.ifa.com/media/images/pdf%20files/activeversuspasiveinquefield.pdf>.
- Barber, Brad M., Yi-Tsung Lee, Yu-Jane Liu, and Terrance Odean. "Just How Much Do Individual Investors Lose by Trading?" *Review of Financial Studies* 22, no. 2 (February 2009): 609–32. doi:10.1093/rfs/hhn046.
- Barber, Brad M., and Terrance Odean. "Boys Will Be Boys: Gender, Overconfidence, and Common Stock Investment." *The Quarterly Journal of Economics* 116, no. 1 (February 1, 2001): 261–92. doi:10.1162/003355301556400.
- . "The Behavior of Individual Investors." SSRN Scholarly Paper. Rochester, NY: Social Science Research Network, September 7, 2011. <https://papers.ssrn.com/abstract=1872211>.
- . "Trading Is Hazardous to Your Wealth: The Common Stock Investment Performance of Individual Investors." SSRN Scholarly Paper. Rochester, NY: Social Science Research Network, April 12, 2000. <https://papers.ssrn.com/abstract=219228>.
- Barnea, Amir, Henrik Cronqvist, and Stephan Siegel. "Nature or Nurture: What Determines Investor Behavior?" *Journal of Financial Economics* 98, no. 3 (December 2010): 583–604. doi:10.1016/j.jfineco.2010.08.001.

- Bay, Charlotta, Bino Catasús, and Gustav Johed. "Situating Financial Literacy." *Critical Perspectives on Accounting, Special Issue on Critical Perspectives on Financialization*, 25, no. 1 (February 2014): 36–45. doi:10.1016/j.cpa.2012.11.011.
- Behrman, Jere R., Olivia S. Mitchell, Cindy K. Soo, and David Brava. "How Financial Literacy Affects Household Wealth Accumulation." *The American Economic Review* 102, no. 3 (2012): 300–304.
- Beilfuss, Lisa. "Readers React: Low Fees Are Driving Us into Passive Funds." *Wall Street Journal*, October 24, 2016, sec. Markets.
<http://www.wsj.com/articles/readers-react-low-fees-are-driving-us-into-passive-funds-1477318719>.
- . "To Succeed with Passive Investing, Get a Little Active." *Wall Street Journal*, October 21, 2016, sec. Markets.
<http://www.wsj.com/articles/to-succeed-with-passive-investing-get-a-little-active-1477054805>.
- Benartzi, Shlomo, and Richard H. Thaler. "Heuristics and Biases in Retirement Savings Behavior." *The Journal of Economic Perspectives* 21, no. 3 (August 1, 2007): 81–104.
doi:10.1257/089533007781798294.
- "Benartzi-Thaler Biased Savings Behavior.pdf." Accessed December 2, 2016.
<http://wolfweb.unr.edu/homepage/pingle/Teaching/BADM%20791/Week%209%20Behavioral%20Microeconomics/Benartzi-Thaler%20Biased%20Savings%20Behavior.pdf>.
- Bernheim, B. Douglas, and Daniel M Garrett. "The Effects of Financial Education in the Workplace: Evidence from a Survey of Households." *Journal of Public Economics* 87, no. 7–8 (August 2003): 1487–1519. doi:10.1016/S0047-2727(01)00184-0.
- Bonaparte, Yosef, George M. Korniotis, and Alok Kumar. "Income Hedging and Portfolio Decisions." *Journal of Financial Economics* 113, no. 2 (August 2014): 300–324.
doi:10.1016/j.jfineco.2014.05.001.
- Bonaparte, Yosef, and Alok Kumar. "Political Activism, Information Costs, and Stock Market Participation." *Journal of Financial Economics* 107, no. 3 (March 2013): 760–86.
doi:10.1016/j.jfineco.2012.09.012.
- Braunstein, Sandra, and Carolyn Welch. "Financial Literacy: An Overview of Practice, Research, and Policy." *Fed. Res. Bull.* 88 (2002): 445.
- Calvet, Laurent E., John Y. Campbell, and Paolo Sodini. "Down or Out: Assessing the Welfare Costs of Household Investment Mistakes." Working Paper. National Bureau of Economic Research, February 2006. <http://www.nber.org/papers/w12030>.
- Campbell, John Y. "Household Finance." *The Journal of Finance* 61, no. 4 (August 1, 2006): 1553–1604.
doi:10.1111/j.1540-6261.2006.00883.x.
- Chen, Hsiu-Lang, Narasimhan Jegadeesh, and Russ Wermers. "The Value of Active Mutual Fund Management: An Examination of the Stockholdings and Trades of Fund Managers." *Journal of Financial and Quantitative Analysis* 35, no. 3 (2000): 343–368.
- Choi, James J., David Laibson, Brigitte C. Madrian, and Andrew Metrick. "Saving for Retirement on the Path of Least Resistance." *RODNEY L WHITE CENTER FOR FINANCIAL RESEARCH-WORKING PAPERS- 9* (2005).
http://www.nber.org/aging/rrc/papers_files/orrc04-08/04-08LaibsonSummary.pdf.
- Christelis, Dimitris, Tullio Jappelli, and Mario Padula. "Cognitive Abilities and Portfolio Choice." *European Economic Review* 54, no. 1 (January 2010): 18–38. doi:10.1016/j.euroecorev.2009.04.001.

- Cole, Shawn, and Shastry, Gauri Kartini. "If You Are So Smart, Why Aren't You Rich? The Effects of Education, Financial Literacy and Cognitive Ability on Financial Market Participation." Accessed November 30, 2016. <https://www.kansascityfed.org/publicat/events/community/2009carc/Cole.pdf>.
- Conlin, Andrew, Petri Kyröläinen, Marika Kaakinen, Marjo-Riitta Järvelin, Jukka Perttunen, and Rauli Svento. "Personality Traits and Stock Market Participation." *Journal of Empirical Finance* 33 (September 2015): 34–50. doi:10.1016/j.jempfin.2015.06.001.
- Constantinides, George M., John B. Donaldson, and Rajnish Mehra. "Junior Can't Borrow: A New Perspective of the Equity Premium Puzzle." *Quarterly Journal of Economics* 117, no. 1 (February 2002): 269–96. doi:http://qje.oxfordjournals.org/content/by/year.
- "Consumption and Portfolio Choice Over the Life Cycle." Accessed December 5, 2016. <http://faculty.london.edu/fgomes/cgm.pdf>.
- Daniel, Kent, David Hirshleifer, and Avanidhar Subrahmanyam. "Investor Psychology and Security Market Under- and Overreactions." *Journal of Finance* 53, no. 6 (1998): 1839–85.
- Dhar, Ravi, and Ning Zhu. "Up Close and Personal: Investor Sophistication and the Disposition Effect." *Management Science* 52, no. 5 (2006): 726–40.
- Dimmock, Stephen G., and Roy Kouwenberg. "Loss-Aversion and Household Portfolio Choice." *Journal of Empirical Finance* 17, no. 3 (June 2010): 441–59. doi:10.1016/j.jempfin.2009.11.005.
- Dimmock, Stephen G., Roy Kouwenberg, Olivia S. Mitchell, and Kim Peijnenburg. "Ambiguity Aversion and Household Portfolio Choice Puzzles: Empirical Evidence." *Journal of Financial Economics* 119, no. 3 (March 2016): 559–77. doi:10.1016/j.jfineco.2016.01.003.
- Dorn, Daniel, and Paul Sengmueller. "Trading as Entertainment?" *Management Science* 55, no. 4 (April 2009): 591–603. doi:10.1287/mnsc.1080.0962.
- Dvorak, Tomas, and Henry Hanley. "Financial Literacy and the Design of Retirement Plans." *The Journal of Socio-Economics* 39, no. 6 (December 2010): 645–52. doi:10.1016/j.socec.2010.06.013.
- Fama, Eugene F., and Kenneth R. French. "Luck Versus Skill in the Cross Section of Mutual Fund Returns." SSRN Scholarly Paper. Rochester, NY: Social Science Research Network, December 14, 2009. <https://papers.ssrn.com/abstract=1356021>.
- Favilukis, Jack. "Inequality, Stock Market Participation, and the Equity Premium." *Journal of Financial Economics* 107, no. 3 (2013): 740–759.
- Feng, Lei, and Mark S. Seasholes. "Do Investor Sophistication and Trading Experience Eliminate Behavioral Biases in Financial Markets?" *Review of Finance* 9, no. 3 (2005): 305–351.
- "-Financial Education, Financial Knowledge, and Risky Credit Behavior of College Students.pdf," n.d. FINRA Investor Education Foundation. "Financial Capability in the United States 2016," July 2016. http://www.usfinancialcapability.org/downloads/NFCS_2015_Report_Natl_Findings.pdf.
- Frazzini, Andrea. "The Disposition Effect and Underreaction to News." *Journal of Finance* 61, no. 4 (2006): 2017–46.
- Goda, Gopi Shah, Colleen Flaherty Manchester, and Aaron Sojourner. "What Will My Account Really Be Worth?" Product Page, 2012. http://www.rand.org/pubs/working_papers/WR873-2.html.
- Goetzmann, William N., and Alok Kumar. "Why Do Individual Investors Hold Under-Diversified Portfolios?" Yale School of Management Working Paper. Yale School of Management, 2005. <https://ideas.repec.org/p/ysm/somwrk/ysm454.html>.

- Graphics, WSJ com News. "Wall Street's 'Do-Nothing' Investing Revolution." WSJ. Accessed December 9, 2016. <http://graphics.wsj.com/passivists/>.
- . "Why Passive Investing Is Overrunning Active, in Five Charts." WSJ. Accessed December 9, 2016. <http://www.wsj.com/graphics/passive-investing-five-charts/>.
- Gross, Karen. "Financial Literacy Education: Panacea, Palliative, or Something Worse." *Louis U. Pub. L. Rev.* 24 (2005): 307.
- Guiso, Luigi, and Tullio Jappelli. "Awareness and Stock Market Participation." *Review of Finance* 9, no. 4 (January 1, 2005): 537–67. doi:10.1007/s10679-005-5000-8.
- Guiso, Luigi, Paola Sapienza, and Luigi Zingales. "Trusting the Stock Market." *The Journal of Finance* 63, no. 6 (December 1, 2008): 2557–2600. doi:10.1111/j.1540-6261.2008.01408.x.
- Haliassos, Michael, and Carol C. Bertaut. "Why Do so Few Hold Stocks?" *The Economic Journal* 105, no. 432 (1995): 1110–29. doi:10.2307/2235407.
- Hastings, Justine S., and Olivia S. Mitchell. "How Financial Literacy and Impatience Shape Retirement Wealth and Investment Behaviors." Working Paper. National Bureau of Economic Research, January 2011. <http://www.nber.org/papers/w16740>.
- Hebner, Mark. "A Summary of the Academic Research on Stock Picking." IFA.com. Accessed December 9, 2016. https://www.ifa.com/articles/summary_of_academic_research_on_stock_picking/.
- Heer, Burkhard, and Bernd Süßmuth. "Effects of Inflation on Wealth Distribution: Do Stock Market Participation Fees and Capital Income Taxation Matter?" *Journal of Economic Dynamics and Control* 31, no. 1 (2007): 277–303.
- Hogarth, Jeanne M., and Marianne A. Hilgert. "Financial Knowledge, Experience and Learning Preferences: Preliminary Results from a New Survey on Financial Literacy." *Consumer Interest Annual* 48, no. 1 (2002): 1–7.
- Hong, Harrison, Jeffrey D. Kubik, and Jeremy C. Stein. "Social Interaction and Stock-Market Participation." *The Journal of Finance* 59, no. 1 (February 1, 2004): 137–63. doi:10.1111/j.1540-6261.2004.00629.x.
- Huang, Xing. "Mark Twain's Cat: Industry Investment Experience, Categorical Thinking and Stock Selection." Unpublished Paper, Michigan State University, 2013. <http://finance.broad.msu.edu/wp-content/blogs.dir/3/files/2013/10/XingHuangMarkTwain-Letter.pdf>.
- Huberman, Gur. "Familiarity Breeds Investment." *Review of Financial Studies* 14, no. 3 (July 1, 2001): 659–80. doi:10.1093/rfs/14.3.659.
- Huston, Sandra J. "Measuring Financial Literacy." *Journal of Consumer Affairs* 44, no. 2 (2010): 296–316.
- "Investing and the Paradox of Skill | S&P Dow Jones Indices." Accessed December 9, 2016. <http://www.indexologyblog.com/2015/12/14/investing-and-the-paradox-of-skill/>.
- Jacob, Angana. "The Rise of Passive Investing Is Changing The Face of Investing," n.d.
- Jakab, Spencer. "The Hidden Weaknesses of Index Funds." *Wall Street Journal*, October 18, 2016, sec. Markets. <http://www.wsj.com/articles/the-hidden-weaknesses-of-index-funds-1476799335>.
- Judgement, Intuitive. "Household Financial Management: The Connection between Knowledge and Behavior." *Bulletin*, Vol 87 (2002): 445–57.
- Kaustia, Markku, and Samuli Knüpfer. "Peer Performance and Stock Market Entry." *Journal of Financial Economics*, Special Issue on Investor Sentiment, 104, no. 2 (May 2012): 321–38. doi:10.1016/j.jfineco.2011.01.010.

- Kaustia, Markku, and Sami Torstila. "Stock Market Aversion? Political Preferences and Stock Market Participation." *Journal of Financial Economics* 100, no. 1 (April 2011): 98–112. doi:10.1016/j.jfineco.2010.10.017.
- Korniotis, George, and Alok Kumar. "Do Older Investors Make Better Investment Decisions?" *Review of Economics and Statistics* 93, no. 1 (2011): 244–65. doi:10.1162/REST_a_00053.
- Krouse, Sarah, and Justin Baer. "One Place Where Passive Investing Doesn't Rule: Bonds." *Wall Street Journal*, October 18, 2016, sec. Markets. <http://www.wsj.com/articles/one-place-where-passive-investing-doesnt-rule-bonds-1476798674>.
- Krouse, Sarah, and Akane Otani. "Poor Performance Is Not Driving Fund Managers Out of Business After All." *Wall Street Journal*, October 19, 2016, sec. Markets. <http://www.wsj.com/articles/poor-performance-is-not-driving-fund-managers-out-of-business-after-all-1476882001>.
- Kumar, Alok. "Who Gambles in the Stock Market?" *The Journal of Finance* 64, no. 4 (2009): 1889–1933.
- Kumar, Alok, and William N. Goetzmann. "Equity Portfolio Diversification." SSRN Scholarly Paper. Rochester, NY: Social Science Research Network, December 6, 2004. <https://papers.ssrn.com/abstract=627321>.
- Li, Geng. "Information Sharing and Stock Market Participation: Evidence from Extended Families." *Review of Economics and Statistics* 96, no. 1 (July 17, 2012): 151–60. doi:10.1162/REST_a_00301.
- Lusardi, Annamaria. "Financial Literacy: An Essential Tool for Informed Consumer Choice?" Working Paper. National Bureau of Economic Research, June 2008. <http://www.nber.org/papers/w14084>.
- Lusardi, Annamaria, and Olivia S. Mitchell. "Financial Literacy and Retirement Planning: New Evidence from the Rand American Life Panel." SSRN Scholarly Paper. Rochester, NY: Social Science Research Network, October 1, 2007. <https://papers.ssrn.com/abstract=1095869>.
- Lusardi, Annamaria, and Olivia S. Mitchell. "Financial Literacy and Retirement Preparedness: Evidence and Implications for Financial Education." *Business Economics* 42, no. 1 (January 1, 2007): 35–44. doi:10.2145/20070104.
- Mandell, Lewis. "Financial Literacy of High School Students." *Handbook of Consumer Finance Research*, 2008, 163–183.
- Mankiw, N. Gregory, and Stephen P. Zeldes. "The Consumption of Stockholders and Nonstockholders." *Journal of Financial Economics* 29, no. 1 (March 1, 1991): 97–112. doi:10.1016/0304-405X(91)90015-C.
- Martenson, Rita. "Success in Complex Decision Contexts: The Impact of Consumer Knowledge, Involvement, and Risk Willingness on Return on Investments in Mutual Funds and Stocks." *The International Review of Retail, Distribution and Consumer Research* 15, no. 4 (October 1, 2005): 449–69. doi:10.1080/09593960500197594.
- Massa, Massimo, and Andrei Simonov. "Hedging, Familiarity and Portfolio Choice." *Review of Financial Studies* 19, no. 2 (June 20, 2006): 633–85. doi:10.1093/rfs/hhj013.
- Meier, Stephan, and Charles D. Sprenger. "Discounting Financial Literacy: Time Preferences and Participation in Financial Education Programs." *Journal of Economic Behavior & Organization* 95 (November 2013): 159–74. doi:10.1016/j.jebo.2012.02.024.

- Mitchell, Olivia S., and Stephen P. Utkus. "The Role of Company Stock in Defined Contribution Plans." Working Paper. National Bureau of Economic Research, October 2002. <http://www.nber.org/papers/w9250>.
- Odean, Terrance. "Do Investors Trade Too Much?" *American Economic Review* 89, no. 5 (1999): 1279–98.
- "Participation and Investment Decisions in a Retirement Plan: The Influence of Colleagues' Choices." Accessed November 30, 2016. <https://eml.berkeley.edu/~saez/duflo.pdf>.
- Poterba, James M. "Employer Stock and 401(k) Plans." *American Economic Review* 93, no. 2 (May 2003): 398–404. doi:10.1257/000282803321947416.
- Ritholtz, Barry. "Shift From Active to Passive Investing Isn't What It Seems." *Bloomberg View*, October 28, 2016. <https://www.bloomberg.com/view/articles/2016-10-28/shift-from-active-to-passive-investing-isn-t-what-it-seems>.
- Roberge, Michael. "Active vs. Passive? Choose Both." *Wall Street Journal*, October 17, 2016, sec. Markets. <http://www.wsj.com/articles/active-vs-passive-choose-both-1476717262>.
- Rooij, Maarten van, and Federica Teppa. "Personal Traits and Individual Choices: Taking Action in Economic and Non-Economic Decisions." *Journal of Economic Behavior & Organization* 100 (April 2014): 33–43. doi:10.1016/j.jebo.2013.12.019.
- Seasholes, Mark S., and Ning Zhu. "Individual Investors and Local Bias." *The Journal of Finance* 65, no. 5 (2010): 1987–2010.
- Seru, Amit, Tyler Shumway, and Noah Stoffman. "Learning by Trading." *Review of Financial Studies* 23, no. 2 (February 2010): 705–39. doi:10.1093/rfs/hhp060.
- Shefrin, Hersh, and Meir Statman. "The Disposition to Sell Winners Too Early and Ride Losers Too Long: Theory and Evidence." *The Journal of Finance* 40, no. 3 (1985): 777–90. doi:10.2307/2327802.
- Shum, Pauline, and Miquel Faig. "What Explains Household Stock Holdings?" *Journal of Banking & Finance* 30, no. 9 (September 2006): 2579–97. doi:10.1016/j.jbankfin.2005.11.006.
- Song, Changcheng. "Financial Illiteracy and Pension Contributions: A Field Experiment on Compound Interest in China." SSRN Scholarly Paper. Rochester, NY: Social Science Research Network, March 6, 2015. <https://papers.ssrn.com/abstract=2580856>.
- Stango, Victor, and Jonathan Zinman. "Exponential Growth Bias and Household Finance." *The Journal of Finance* 64, no. 6 (2009): 2807–2849.
- Summers, Barbara, and Darren Duxbury. "Unraveling the Disposition Effect: The Role of Prospect Theory and Emotions." SSRN Scholarly Paper. Rochester, NY: Social Science Research Network, August 1, 2007. <https://papers.ssrn.com/abstract=1026915>.
- Tergesen, Anne, and Jason Zweig. "The Dying Business of Picking Stocks." *Wall Street Journal*, October 17, 2016, sec. Markets. <http://www.wsj.com/articles/the-dying-business-of-picking-stocks-1476714749>.
- Thaler, Richard. "Mental Accounting and Consumer Choice." *Marketing Science* 4, no. 3 (August 1, 1985): 199–214. doi:10.1287/mksc.4.3.199.
- U. S. Social Security Administration, Office of Retirement and Disability Policy. "The Disappearing Defined Benefit Pension and Its Potential Impact on the Retirement Incomes of Baby Boomers." Accessed January 9, 2017. <https://www.ssa.gov/policy/docs/ssb/v69n3/v69n3p1.html>.

- Weber, Martin, and Colin F. Camerer. "The Disposition Effect in Securities Trading: An Experimental Analysis." *Journal of Economic Behavior & Organization* 33, no. 2 (January 1998): 167–84. doi:10.1016/S0167-2681(97)00089-9.
- Wiener, Josh, and Tabitha Doescher. "A Framework for Promoting Retirement Savings." *Journal of Consumer Affairs* 42, no. 2 (June 1, 2008): 137–64. doi:10.1111/j.1745-6606.2008.00102.x.
- Wolfe-Hayes, Molly A. "Financial Literacy and Education: An Environmental Scan." *The International Information & Library Review, International Perspectives on Information Literacy and e-skills*, 42, no. 2 (June 2010): 105–10. doi:10.1016/j.iilr.2010.04.006.
- Xiao, Jing J., ed. *Handbook of Consumer Finance Research*. New York: Springer, 2008.
- Xiao, Jing Jian, Joyce Serido, and Soyeon Shim. "Financial Education, Financial Knowledge, and Risky Credit Behavior of College Students." In *Consumer Knowledge and Financial Decisions*, edited by Douglas J. Lamdin, 113–28. New York, NY: Springer New York, 2011. http://link.springer.com/10.1007/978-1-4614-0475-0_8.
- Xiao, Jing Jian, Chuanyi Tang, Joyce Serido, and Soyeon Shim. "Antecedents and Consequences of Risky Credit Behavior among College Students: Application and Extension of the Theory of Planned Behavior." *Journal of Public Policy & Marketing* 30, no. 2 (2011): 239–245.
- Yoong, Joanne. "Financial Illiteracy and Stock Market Participation: Evidence from the RAND American Life Panel." SSRN Scholarly Paper. Rochester, NY: Social Science Research Network, October 11, 2010. <https://papers.ssrn.com/abstract=1707523>.