

Summary of *Broadband Internet and the Stock Market Investments of Individual Investors*

HANS K. HVIDE, TOM G. MELING, MAGNE MOGSTAD, and OLA L. VESTAD(JF, 2024)

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1. What are the research questions?

- Can/How broadband internet effect individual investors' stock market participation & portfolio choice?

2. Why are the research questions interesting?

- Does internet use spur “democratization of finance”?
 - yes, improved portfolio choices by households
 - no, amplify behavioral biases
 - * online stock trading platforms increased trading costs(Barber and Odean, 2002)
 - * social media usage have mixed effects(Allen et al., 2022; . . .)
 - limit: 1) only target sub investors, 2) only online platforms and not network itself
- Broadband in Norway offers a clean and entire condition to study this puzzle.
 - Broadband: a source of exogenous variation in internet use
 - Norway offers entire population trading records, not only subgroups investors

3. What is the paper's contribution?

- contribute to literature on internet use affect individual investors' portfolio choices.
 - Recent paper:
 - * Easier/more fun internet trading platforms have nega-effect.(Allen et al., 2022;. . .)
 - Extend: broadband internet eases all internet activities, affects broad people
- contribute to literature on household finance
 - Recent paper:
 - * too few individuals invest in equity markets—“participation puzzle”(Campbell,2016)
 - * factors: wealth, education, computer ownership, financial literacy(Bogan,2008;. . .)
 - Extend: impact of lower fixed cost for access market due to faster internet access.
- contribute to policy debates on expansion or funding of broadband infrastructure.
 - Recent paper:
 - * focuses on internet affect on education,health,economic,wage. . . (LaRose et al.,2011;. . .)
 - Extend: light on this policy's effects:democratization of finance

4. What hypotheses are tested in the paper?

- H1: Positivity broadband coverage increase stock market participation rate.
- H2: Positivity broadband increase help exist investor diversify or portfolio efficiency.

a) Do these hypotheses follow from and answer the research questions?

- Yes, use individual data corresponds directly to study participate and portfolio effects.

b) Do these hypotheses follow from theory? Explain logic of the hypotheses.

- pos: highspeed internet reduce fixed cost(aware market opportunitiy,competence)
- neg: reduce leisure-related activities, crowd out individuals' focus on finance

5. Sample: comment on the appropriateness of the sample selection procedures.

- Very unique. Why ≤ 2010 ? Is it due to data issues or lack of necessity?
6. **Comment on the appropriateness of variable definition and measurement.**
 - Is using the average internet coverage rate in a city as an individual variable reasonable?
 7. **Comment on the appropriateness of the regress/predict model specification.**
 - Is it necessary to control for factors such as the economic situation in the city?
 8. **What difficulties arise in drawing inferences from the empirical work?**
 - H1: result through funds. Can it be assumed to be individual investors rather than insts?
 9. **Describe at least one publishable and feasible extension of this research.**
 - Has internet access increased investors' overconfidence, herd behavior, or other behavioral biases?
 - Are there regional differences in internet access? Eg, nowadays, whether ChatGPT has an impact on China, as many retail investors may not use VPNs?