RESEARCH STATEMENT

Christoph Huber

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I am currently a PhD candidate in Economics at the University of Innsbruck's Department of Banking and Finance. As part of the Experimental Finance group and the Research Unit "Credence Goods, Incentives and Behavior" around Jürgen Huber, Michael Kirchler, Loukas Balafoutas, and Rudolf Kerschbamer, I conduct research in the broad field of Behavioral and Experimental Economics and Finance. I will defend my dissertation in January 2021.

Applying the tools of experimental economics, I aim to understand human decision-making and market dynamics. I work on topics which are central but not only relevant to market environments: for example, I am interested in issues of market efficiency and bubbles, decision-making under uncertainty, (un)ethical behavior, as well as social and cognitive aspects in (financial) markets.

While experimental economics has thrived enormously during the last decades, external validity issues are a commonly raised concern. As one part of my research agenda, I aim to address these concerns by conducting artefactual and framed field experiments in addition to standard lab experiments – that is, experiments with a more relevant subject pool such as financial professionals, and with a field context in either the commodity, task, or information set.

My job market paper, "*Market shocks and professionals' investment behavior — Evidence from the COVID-19 crash*" (with J. Huber and M. Kirchler), in which I examine market shocks and inefficiencies from an individual-decision perspective, is just one example in this emerging line of research. Introducing a novel experimental framework, in which returns are realized dynamically and incrementally, I investigate how the experience of stock market shocks influences financial professionals' risk-taking behavior. This study contributes to and extends previous, mostly empirical, research on how real-life experiences affect risky decision-making – with relation to COVID-19, in particular –, and adds to the literature on countercyclical risk aversion. As a third major contribution of this study, I aim to disentangle risk-taking behavior and risk perception, and relate to contrast effects and the neurobiological concept of adaptive normalization.

While being a PhD candidate, I have, among other things, worked on several market experiments in this area. In the study "*Bubbles and Financial Professionals*" (with U. Weitzel, J. Huber, M. Kirchler, J. Rose, and F. Lindner; Review of Financial Studies), we combine the higher internal validity of controlled market experiments with the externally more valid behavior of financial professionals in a large-scale experiment. With this study, I contribute to the ongoing debate on the degree of financial market efficiency, but also to the literature identifying various forms of capital inflows in financial markets as important bubble drivers. Importantly, this study also adds to the emerging experimental literature analyzing behavior of financial professionals and is the first to examine experimental asset markets with this particularly relevant subject group. We find that professional markets with bubble drivers – capital inflows or high initial capital supply – are susceptible to bubbles, although they are more efficient than student markets. In a related project ("*Design-features of bubble-prone experimental asset markets with a constant FV*" with P.C. Bindra and D. Kleinlercher, Journal of the Economic Science Association), I extend the work on bubble-prone

experimental asset markets with constant fundamental value (FV) designs and examine its methodological robustness.

Other studies conducted during my PhD include innovative experiments on the effect of "social information" on experts' and laypeople's stock market forecasts, analyzing scaling effects on risk perception and investment behavior, and reassessing ethical behavior among finance professionals, and have been published in highly reputable journals in both Economics and Finance (e.g. in Experimental Economics, the Journal of Economic Behavior & Organization, and the Journal of Banking & Finance). With regard to decision making under uncertainty, I am conducing the first study incorporating the concept of 'imprecision' – i.e., vagueness in a lottery's outcome realizations and its corresponding probability distribution – in experimental asset markets ("Do individual attitudes towards imprecision survive in experimental asset markets", with J. Rose).

Currently, I am continuing this research agenda, build on, and extend my existing and well-published work, with both single-authored projects as well as with joint projects in an international network of co-authors and collaborators.

Extending my research on competitive market environments, I am currently working on an experimental study identifying the role of competitiveness, cognitive sophistication, and common knowledge thereof among other 'players' – prevalent traits within the finance industry – on speculative behavior. Following the research avenues outlined by my previous work, I am currently also planning to conduct the first online double auction experiment with financial professionals. Therein, I aim to analyze the impact of individual preferences for externalities (e.g. socially responsible investments) and its heterogeneity on investment behavior and price efficiency, thereby extending and testing seminal theoretical models of financial market bubbles. On the methodological side, I am involved in conducting the first crowd-science research project in experimental economics, in which researchers around the world will be invited to submit different experimental designs with the aim of examining the relationship between competition and moral behavior.

Building on my existing work, I also plan to combine standard experiments with more innovative methods and designs. One example is the study of emotions and physiological responses in the context of risky decision-making and market environments. Related to this, I am designing an experiment to analyze probability weighting under induced anticipated anxiety in a joint project with Jan Engelmann and Julia Rose. In the context of financial markets, I am in the early stage of planning an experiment, which aims to incorporate the psychological concept of 'emotional contagion' in economics in an attempt to understand market inefficiencies and bubble-crash patterns.

More generally, I strive to follow an epistemological approach in my research, which starts with innovative, ambitious, and important research questions, and which allows to derive hypotheses from various fields (such as concepts from neuroscience, for example). Looking forward, I aim to continue combining different methods, both established and more innovative ones – including connecting real-world, empirical data with experimental results –, an avenue I consider immensely promising for publishing in top general interest outlets in both Economics and Finance.