

Is Sustainable Finance a Dangerous Placebo?*

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Abstract

A major concern regarding sustainable finance is that it may crowd out individual political support for environmental regulation. We test the validity of this concern in a pre-registered experiment shortly before a real referendum on a climate law with a representative sample of the Swiss population (N=2,051). We find that the opportunity to invest in a climate-conscious fund does not erode individuals' support for climate regulation. These experimental results are consistent with real voting and investing behavior across Switzerland. We conclude that the spillover effects of sustainable finance on individual political decision-making are limited.

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1 Introduction

Economists and public policy scholars generally agree on the merits of some form of public intervention to correct market failures, such as negative climate externalities (e.g., Pigou, 1920; Coase, 1960; Nordhaus, 2019). However, given the political difficulties in adequately fixing market failures through public policy, citizens have increased their pressure on private institutions to also contribute to addressing societal challenges. Nowadays, many investors expect their money to be managed in a way that promotes positive environmental and social change (e.g., Haber et al., 2022; Giglio et al., 2023).

Given these expectations, there is a growing interest in understanding the *real* impact of the “sustainable finance” phenomenon. The recent literature has focused on whether people like sustainable investment products (e.g., Hartzmark and Sussman, 2019; Heeb et al., 2023), when sustainable finance can be welfare enhancing (e.g., Hart and Zingales, 2017), or whether it can effectively influence firm behavior (e.g., Berk and van Binsbergen, 2021; Broccardo et al., 2022; Edmans et al., 2022; Heath et al., 2023).

A so far overlooked aspect is the spillover effect of sustainable finance on the likelihood of advancing government regulation, the traditionally prescribed way to internalize externalities. Is sustainable finance a “dangerous placebo”, i.e., a substitute that crowds out political support for government regulation, as some of its critics argue?¹ This would be problematic

¹In recent years, the interpretation of sustainable finance as a “dangerous placebo” has been brought to the spotlight of the public attention, for instance, by Tariq Fancy – a former chief sustainable investing officer at BlackRock (e.g., Fancy, 2021). Edmans (2021) provides some early critical assessment of this claim.

because, based on current evidence, it is unclear whether sustainable investing is effective in reducing externalities.² Understanding whether sustainable finance substitutes individual political support for government intervention aimed at externalities is, therefore, of great importance to understanding the overall impact of sustainable finance on society.

Economic reasoning suggests that sustainable finance may crowd out individual political engagement through two main channels. First, people may perceive sustainable investment products to be a more effective way to address societal problems than regulation; hence, they could rationally substitute their political engagement with sustainable investing (“Rational Substitution” channel). Second, the perceived prosocial act of investing sustainably may liberate investors from behaving prosocially in other domains (Miller and Effron, 2010; Merritt et al., 2010); Hence, investors may emotionally substitute the moral satisfaction of political engagement with the one of sustainable investing (“Moral Licensing” channel).

However, economic theory also suggests that sustainable finance may, in fact, not have negative effects on individual political engagement. People may rationally consider sustainable investing – no matter how effective it may be – as a *complement* rather than a *substitute* for formal regulation. After all, a mix of public interventions and voluntary private actions may be the most effective strategy to address climate change (see, e.g., Huang and Kopytov, 2023; Pedersen, 2023). Even from a behavioral perspective, extensive literature emphasizes moral consistency (rather than licensing) as an important self-signaling tool to reinforce our

²Akey and Appel (2020), Bolton and Kacperczyk (2021), Berg et al. (2022), Berk and van Binsbergen (2021), Edmans et al. (2022), Heath et al. (2023), and De Angelis et al. (2022)

identity (Akerlof and Kranton, 2000; Bodner and Prelec, 2003; Bénabou and Tirole, 2011; Gneezy et al., 2012).

In light of these different predictions, how sustainable investing influences political engagement remains an empirical question. This paper provides experimental evidence leveraging a popular vote on a climate law in Switzerland held on June 18, 2023.³ In a pre-registered experiment with a representative sample of the Swiss population, we explore how the option to invest in a climate-conscious fund affects participants’ support for the climate law. The Swiss democratic system is ideal for our experimental strategy. Whereas in most countries voters can only indirectly decide on specific policies through general elections, the Swiss electorate can directly vote on specific policy changes through single-issue public referenda.⁴ We measure active political engagement for advancing environmental regulation in terms of net donations to the campaign promoting the approval of the climate law.

We recruited a sample of 2,051 respondents representative of the Swiss population. The survey was conducted in May 2023, during the main campaigning phase, finishing right before the onset of voting by mail.

In the first step (“Investment stage”), we randomly assign participants to a control and a treatment group. In the treatment group, participants are given the opportunity to express

³The legislation at stake in the 2023 Swiss climate referendum aimed to accelerate the country’s transition to renewable energies and achieve climate neutrality by 2050. See, e.g., SWI SwissInfo.ch, “Swiss voters to decide on country’s energy transition”, April 13, 2023. The final result saw the approval of the climate law with 59.1% votes in favor and a 42% turnout, e.g., SWI SwissInfo.ch, “Swiss approve net-zero climate law”, June 18, 2023.

⁴Other researchers use the Swiss political system to study individual political behavior, e.g., Bursztyn et al., 2023.

their climate preferences in a private investment decision. We ask participants to allocate 1,000 CHF (1,100 USD) to either of two real investment funds. In the control group, we provide participants only with information on the standard financial characteristics of the two investment options. In the treatment group, we reveal that one of the two funds is a “Climate fund” and provide information about both funds’ climate-related performance. We make this decision consequential: We randomly choose 10 participants, invest 1,000 CHF in their selected fund, and pay them the resulting capital after one year.

In the second step (“Political stage”), we provide participants with an overview of the upcoming climate referendum and a summary of the main arguments of the pro- and anti-climate-law campaigns. We then offer participants the opportunity to donate part of their payout to either of the two campaigns. Our main dependent variable of political engagement is the net donation supporting the climate law – with the donation to the anti-climate-law campaign scaled negatively.

In the third step (“Survey stage”), we assess respondents’ perception of the climate impact of the funds, their emotional response to their investment decision, and their financial expectations regarding the investment options. In addition, we collect various preferences and demographic characteristics.

Our treatment is very salient. Respondents are two and a half times more likely to choose the climate fund when it is explicitly labeled as such in the treatment group (76% vs. 30%). This indicates that the treatment was salient and that the opportunity to choose a

climate fund was taken up by many respondents. It also confirms individuals' preferences for sustainable investment products documented in other studies (e.g., Hartzmark and Sussman, 2019; Ceccarelli et al., 2023).

Regarding the effect of our sustainable finance treatment on political engagement, We find that the average net donation in favor of the pro-campaign is greater in the treatment group than in the control group (35.1 CHF vs. 31.2 CHF). This difference is not statistically significant. We observe a similar positive but non-statistically significant treatment effect on the intention to vote for the climate law. We find a marginally significant positive treatment effect on respondents' stated alignment with the pro-campaign. Given that the overall observed "pro-climate" political engagement in the treatment group is not lower than in the control group, the results do not provide empirical evidence for the concern that sustainable finance might crowd out political engagement. The opportunity to invest climate-consciously does not erode individual political support for climate regulation.

We corroborate our main finding in several robustness checks. First, we show that the experiment created the necessary preconditions for a crowding-out effect on political engagement to occur in theory. Second, we show that the climate fund was chosen due to beliefs about its climate impact and the positive feeling of choosing it, not due to financial expectations. Third, we investigate the cross-sectional heterogeneity of the treatment effect. In particular, we show that there is no latent effect on swing voters. Finally, we compare our experimental results to observational data from the field. We collect data on opinion

polls, voting outcomes, investment behavior of Swiss retail investors, and individual political donations to the climate referendum pro-campaign, and show that these data are broadly consistent with the behavior observed in our experiment.

Our paper contributes to three streams of research. First, it links to the conceptual and theoretical literature on the interaction of formal regulation and private socially responsible actions, like corporate social responsibility (CSR). In a highly influential article, Friedman (1970) argues that “the social responsibility of business is to increase its profit.” According to Friedman, CSR is an inefficient way to deal with negative externalities, harmful both to corporate profits and society at large: Elected politicians are better positioned and more democratically legitimate than corporate managers to deal with political issues.⁵ Other scholars argue that when governments fall short in the provision of public goods and control of negative externalities, CSR can emerge endogenously as a welfare-improving strategy to overcome political failures (Besley and Ghatak, 2007; Bénabou and Tirole, 2010; Egorov and Harstad, 2017; Hart and Zingales, 2017). These two opposing views of CSR also influence the current debate on the “political economy” consequences of sustainable finance. Some recent studies have started exploring the strategic interactions between sustainable finance

⁵Along similar lines, according to Maxwell et al. (2000), CSR can be strategic self-regulation of firms to preempt more stringent political action, a view also empirically supported by Malhotra et al. (2019). Bertrand et al. (2020) find evidence consistent with the role of charitable giving, a form of CSR, as a means of corporate political influence. Bebchuk and Tallarita (2020) conceptually argue that stakeholder governance raises illusionary hopes around the positive effects for stakeholders, weakening pressures for stakeholder-oriented policy reforms. Chater and Loewenstein (2022) and Hagmann et al. (2023) argue that policy interventions targeting individual behavior lower support for systemic policy changes like taxes or mandates. Colonnelli et al. (2023) and Kim et al. (2023) study how CSR influences citizens’ support for legislative proposals.

and government regulation in theoretical frameworks (Allen et al., 2023; Biais and Landier, 2022; Pedersen, 2023). However, whether or not sustainable finance crowds out regulation remains an empirical question. Our paper provides experimental evidence.⁶

Second, the paper contributes to the literature on investor behavior on sustainability issues. Several contributions show investors’ strong appetite for socially responsible investment products (e.g., Anderson and Robinson, 2022; Barber et al., 2021; Bauer et al., 2021; Bollen, 2007; Geczy et al., 2021; Hartzmark and Sussman, 2019), often driven by personal values and pro-social preferences (e.g., Hong and Kostovetsky, 2012; Riedl and Smeets, 2017). Recently, some contributions have started addressing the question of whether sustainable investors are consequentialists, who want to have a real societal impact through their investments, or warm-glow optimizers, who are content with feeling good about their decisions (Bonnefon et al., 2022; Brodback et al., 2021; Heeb et al., 2023). In both cases, the focus has been limited to financial decision-making and its intended outcomes. Our paper advances this literature by studying the spillover effect of climate-conscious investing on individuals’ environmental engagement in the political realm. Contrary to the prior literature, we do not look at warm glow or consequentialism as two mutually exclusive drivers of sustainable

⁶While we are the first to study the effect of sustainable investing on political engagement, a few contributions analyze the relationship between sustainable investing and charitable donations. Graff Zivin and Small (2005) develops a theoretical model in which investments in responsible firms crowd out investors’ philanthropic donations. Riedl and Smeets (2017) show that responsible investors donate more to charities than conventional investors, suggesting a complementary effect between responsible investments and charitable donations, while An et al. (2023) provides evidence consistent with a substitution effect. While this literature studies the relationship between two individual actions regarding societal problems (sustainable finance and charitable giving), our paper studies the effect of individual action (sustainable finance) on the likelihood of collective action (climate regulation).

investments, as even a mere warm glow motivation may conceal and influence individual efforts to make a real impact outside financial decision-making.

Finally, the paper links to the political economy literature on the drivers of individual support for climate policies (see Drews and Van den Bergh, 2016, for a review of the earlier literature). Dechezleprêtre et al. (2022) show that citizens’ support for different climate policy tools depends on effectiveness, inequality, and self-interest considerations. Besley and Persson (2023) theoretically study the interactions between political and market failures in influencing the energy transition. Financial asset holdings can potentially have a strong influence on political choices, as Jha and Shayo (2019) show in the context of attitudes toward conflicts. Our paper is the first to investigate the causal effects of the availability of investment products “privately” addressing climate change on individual attitudes toward climate policy.

2 Experimental Design

Prior studies document a general positive correlation between sustainable investing and pro-environmental political behavior (e.g., Hong and Kostovetsky, 2012; Riedl and Smeets, 2017; Giglio et al., 2023 among others). However, this correlation does not exclude the possibility that sustainable investing may crowd out individual pro-environmental political engagement. After all, both behaviors are, to a large extent, driven by personal beliefs and moral values. For this reason, we address our research question through a pre-registered between-subject

experiment specifically designed to vary the level of exposure to sustainable investing.⁷

The experiment is framed in the context of a real climate-related political campaign. This section describes the political context and our experimental and sampling procedures.

2.1 Political context

The Swiss political context is crucial for our experimental strategy. In most countries, political votes are only indirectly related to climate change. For example, climate policy was particularly salient in the 2016 and 2020 US elections (as also studied, for instance, through the lens of financial markets in Ramelli et al., 2021), but these events also related to other political issues. Conversely, the Swiss electorate regularly expresses their preferences on specific matters, including climate policy, through single-issue public referenda which do not usually overlap with general elections.⁸ This provides us with a setting in which we can observe the effect of sustainable investing on an actual climate-related political decision.

In 2017, Switzerland joined the Paris Agreement to reduce greenhouse gas emissions. In June 2021, the revision and continuation of an existing climate law—that was intended to implement Switzerland’s commitments under the Paris Agreement—failed in a popular referendum.⁹ A renewed attempt to translate the Paris Commitments into Swiss law was

⁷The pre-registration is available at https://aspredicted.org/blind.php?x=VW5_B33.

⁸For a brief overview of the peculiarities of Switzerland’s direct democracy, see <https://www.swissinfo.ch/eng/politics/direct-democracy/47697554>. Of course, other examples of climate-related referenda exist. For instance, in a referendum in 2010, 62% of California’s citizens voted in favor of the state’s main climate change legislation (Global Warming Solutions Act) passed in 2006. Washington State had two carbon tax referendums in 2016 and 2018, known as Initiative 732 and Initiative 1631, respectively.

⁹See, e.g., SWI SwissInfo.ch, “Swiss CO2 law defeated at the ballot box”, June 13, 2021.

launched by the “Glacier Initiative”, which resulted in another popular referendum on the “Federal Act on Climate Protection Goals, Innovation and Strengthening Energy Security” on June 18, 2023. The public vote on this latter law is the subject of our study; we refer to it for simplicity as the climate law.

The 2023 climate law¹⁰ contains several measures with the overall goal of ensuring that the impact of man-made greenhouse gas emissions in Switzerland is zero by 2050. Measures include the reduction of greenhouse gas emissions and application of negative emission technologies, adaptation to and protection from the impacts of climate change, targeting financial flows toward low-emission and climate change-resilient development, and replacing fossil-fuelled heating systems with heat generation from renewable energies.

Before the 2023 referendum, two political committees were established and launched extensive campaigns for and against the climate law. Both campaigns maintained a strong public presence, with the upcoming vote intensely debated in Swiss media.¹¹ Figure 1 displays snapshots of the two campaigns’ websites, advertising the law’s pros and cons and raising funds to support the campaigns. Advertisements with these themes were prominent on billboards all over Switzerland and in social media feeds during our survey period.

– Figure 1 –

¹⁰The original document in German is available on <https://www.admin.ch/gov/de/start/dokumentation/abstimmungen/20230618/klimagesetz.html>

¹¹For instance, according to Dow Jones Factiva data, in May 2023, around 1,400 articles covered the topic of climate change in Swiss newspapers, twice the monthly average of around 700 articles over the previous 12 months.

There are several indications that the outcome of the referendum was contested. First, the prior attempt at passing a climate law in 2021 failed narrowly, despite polls predicting its passage, with 51.59% of votes against it. Second, official polls on behalf of the Swiss Broadcasting Corporation registered a decline of voters in favor of the climate law from 72% in mid-May 2023, down to 63% in early June 2023 (GFS.Bern, 2023a,b). Third, poll respondents themselves expected the law to pass with just 52% of votes on average. In other words, it was a situation in which anyone who cared about the outcome of the referendum had a strong reason to vote.

Eventually, 59.1% of Swiss voters approved the climate law, with a 42% turnout. Our experiment took place in the weeks before the vote, during the time when citizens formed their views and had the option to engage politically by donating to their favored campaign.

2.2 Procedures

The experiment consists of three steps: an incentivized investment decision (“Investment Stage”), a political decision related to the upcoming Swiss climate referendum (“Political Stage”), and a survey of participants’ perceptions and preferences (“Survey Stage”).

2.2.1 Investment Stage

In the Investment Stage, we administer the treatment. All participants choose between two investment funds; only those in the treatment group are informed that one of the funds is

a climate fund. We ask participants to allocate 1,000 CHF (1,100 USD) to either one of two investment funds. We offer the same funds, Fund A and Fund B, to the treatment and control groups, randomizing their positioning on the screen and the color in which the price chart is presented to avoid ordering effects. We use two real investment funds to source the information displayed: the iShares MSCI World ETF and its climate-conscious version, the iShares MSCI World Paris-Aligned Climate ETF.¹²

Both in the control and treatment groups, we provide participants with standard information on the financial characteristics of the two funds, namely the category, volume, fees, risk class, and past return, similar to the information commonly reported in fund descriptions. While the financial characteristics of the funds are very similar, the past performance of the climate fund is lower (-10.44% rather than -8.08% over 12 months, based on actual past performance). The real names of the funds and any other climate-related characteristics remain hidden in the control group. Figure A2 in the Appendix shows the funds' fact sheets for the control group.

In the treatment group, we reveal the fund names and provide respondents with additional information on the funds' climate-related performance. Participants see that one of the two funds is a climate-conscious fund ("Climate fund") aligned with the Paris Agreement's goal of limiting global warming to below 1.5 degrees Celsius. We base the climate-related

¹²Details about the two funds are available at <https://www.ishares.com/ch/individual/en/products/251882/?switchLocale=Y> and <https://www.ishares.com/ch/professionals/en/products/318383/ishares-msci-world-paris-aligned-climate-ucits-etf>.

information on the actual funds' sustainability characteristics disclosed by MSCI on the basis of its carbon footprint and "Implied Temperature Rise" methodology. Figure A1 in the Appendix shows the funds' fact sheets for the treatment group.

Hence, our experimental design contrasts a setting where participants can express their climate-consciousness in an investment decision with a setting in which they can not. We test whether political engagement differs across these two settings. Importantly, we make the investment decision consequential: We informed participants that we would implement their decision for ten randomly selected participants and pay them the resulting capital after one year. Thus, to the extent that participants believe investing in a climate fund has consequences, there is a chance that we realize these consequences.

2.2.2 Political Stage

In the Political Stage, participants can engage politically in the context of the upcoming vote on the climate law. First, we introduce the legislative proposal based on the official description provided to voters by the Swiss government. We then outline the main arguments of the pro- and anti-campaigns based on language provided by the websites of the two campaigns. We randomize whether participants first see the arguments of the pro- or the anti-campaign. We then ask the respondents to indicate which of the campaign aligns most with their views. Depending on the answer, we give participants the opportunity to donate up to

250 CHF (275 USD) to the selected campaign.¹³ For the ten randomly selected participants, we implement the chosen donation immediately and deduct the amount donated from their future payout.

The decisions in the political stage of our experiment are also consequential. Donations are essential for financing referendum campaigns. Since the survey closed one month before the actual vote, participants can reasonably expect their donation to influence voter opinion, voter mobilization, and, ultimately, the outcome of the vote.

Our main outcome variable is the net donation to the pro-campaign, where donations for the pro-campaign are scaled positively, and donations to the anti-campaign are scaled negatively (*Net pro-campaign donation*). As secondary outcome variables, we elicit participants' stated alignment with either of the campaigns on a 6-point Likert scale (*Pro-campaign alignment*) and voting intentions at the referendum on a 7-point Likert scale (*Voting intention*).

2.2.3 Survey Stage

In the Survey Stage, we assess participants' perceptions of the impact of the climate fund. To do so, we ask participants in the treatment group whether they think an investment in the climate fund is making a relevant contribution to climate protection (*Expected impact climate fund*, based on a 7-point Likert scale). The survey question regarding the perceived impact of the climate fund reads: “*How strongly do you agree with the following statement?*

¹³This range covers most amounts commonly donated. The campaign homepages themselves suggest donations of 10, 50, and 100 CHF.

Investing in Fund A [iShares MSCI World Paris Aligned Climate ETF fund] makes a relevant contribution to climate protection.” In addition, we assess respondents’ emotional response to the investment decision and their financial expectations regarding the investment options. We also collect data on demographics and political preferences. The detailed questions can be found in Table A1.

2.3 Sample

We recruited a representative sample of the Swiss electorate with the support of an independent Swiss survey agency (Intervista). The data collection took place between May 5 and May 18, 2023, in the middle of the political campaign on the upcoming climate-related referendum and around one week before voters received their ballots. We administered the survey in the three major Swiss languages (German, French, and Italian). We collected 2,051 complete responses.¹⁴ Table 1 shows the sample’s demographic characteristics. The control and treatment groups are well-balanced in terms of demographics and political preferences.

– Table 1 –

¹⁴In the preregistration, we stated that we would collect 2,000 responses. The survey agency collected 2,051 responses to ensure a representative sample; we consider all responses in our analysis. Our results also hold if we restrict the sample to the first 2,000 responses.

3 Results

This section presents the main results of the experiment. First, we provide evidence that the treatment was salient and triggered substantial demand for sustainable finance. Second, we present the main results for the effect of the treatment on political engagement. Finally, we present findings on participants' perceived societal impact of the climate fund.

3.1 Demand for sustainable investments

Figure 2 shows the fraction of respondents who invested in the climate fund in the treatment and the control group. The climate-related information treatment strongly shifted investor demand from the conventional to the climate fund. In the treatment group, 76% of the respondents opted for the climate fund, compared to only 30% in the control group, where participants did not receive any climate-related information.

– Figure 2 –

The treatment increased demand for the climate fund by a factor of 2.5, confirming that information about funds' sustainability characteristics strongly affects investment allocations. This strong change in investment behavior confirms the salience of our treatment.

3.2 Treatment effect on political engagement

Figure 3 and Table 2 show the main result on the causal effect of sustainable finance on political engagement. We find that the opportunity to invest in a climate-conscious fund did not erode participants' support for climate regulation. Our main outcome variable is the net donation to the pro-climate-regulation campaign (*Net pro-campaign donation*)¹⁵. On average, participants in the treatment group donated 35.1 CHF (38.5 USD), while participants in the control group donated 31.2 CHF (34.3 USD). While treated participants donated more, the positive difference is not statistically significant (Mann–Whitney U test, $p = 0.285$). Regarding the share of participants that donated, 34.1% of participants in the treatment group donated to the pro-climate-regulation campaign versus 33.1% in the control group. The difference between these values is not significant (Mann–Whitney U test, $p = 0.639$). At the same time, 9.4% of participants in the treatment group donated to the anti-climate-regulation campaign, versus 11.9% in the control group; this difference is significant at the 10% level (Mann–Whitney U test, $p = 0.062$).

We obtain similar inferences when employing two alternative measures of political engagement (see Panels (b) and (c) in Figure 3). For participants' stated alignment with the pro campaign (*Pro-campaign alignment*), we observe a positive treatment effect statistically significant at the 10% level (Mann–Whitney U test, $p = 0.079$). When looking at partic-

¹⁵As preregistered, we use a net measure of donations, scaling pro-regulation campaign donations positive and anti-regulation campaign donations negative. Results for pro-regulation campaign donations and anti-regulation campaign donations separately can be found in Figure A3 and Figure A4

ipants' voting intentions (*Voting intention*), individuals in the treatment group are more likely to state an intention to vote for the climate law; however, the difference to the control group is not significant (Mann–Whitney U test, $p = 0.142$).

– Figure 3 –

– Table 2 –

Table A2 in the Appendix reports the results of OLS regressions of our climate political engagement measures on the treatment indicator, also controlling for various demographic characteristics: age, gender, education, income, net worth, urban residency, and linguistic region. Unsurprisingly, given the successful randomization, the results of the OLS regressions confirm those of the non-parametric tests.

Overall, based on a representative sample of the Swiss population shortly before an important real referendum on climate policy, our experiment indicates that the opportunity to invest climate-consciously does not erode individuals' political support for climate regulation.

4 Robustness

We corroborate our main finding in several robustness checks. First, we show that important prerequisites for a potential crowding-out effect were present in our experiment. Second, we rule out that fund choices were driven by financial expectations for the funds. Third, we find no evidence for a crowding-out effect on specific sub-groups. Fourth, we show that

the investment behavior and political donations observed in our experiment are broadly consistent with the behavior observed in the field.

4.1 Prerequisites for a potential crowding-out effect

An important question is whether our experimental setting provides the necessary conditions for a crowding-out to occur—if it were to exist. In the following, we show that those conditions were present both for the “Rational Substitution” channel, as well as for the “Moral Licensing” channel.

First, we show that respondents perceive the climate fund to have a positive impact. On average, respondents in the treatment group agree with the statement that investing in the climate fund makes a meaningful contribution to climate protection. This is particularly true for the subset of respondents who chose the climate fund (see Table 3). In a multivariate regression, we confirm that respondents are more likely to invest in the climate fund when they perceive the fund to be more beneficial for climate protection (see Table A4). This suggests that respondents’ own beliefs about the impact of the climate fund are an important driver of the investment decision. This provides the preconditions for the “Rational Substitution” channel, in which respondents believe sustainable investing and political engagement are substitutes, even if this belief may not be in line with scientific consensus.

Second, we find that respondents perceived the option to invest in the climate fund as economically costly yet emotionally rewarding. On average, respondents in the treatment

group perceive the climate fund to be slightly riskier and expect lower returns compared to the conventional fund. For respondents who chose the climate fund, we do not find significant differences in their risk expectations between the two funds. However, also in this subgroup, respondents, on average, expect lower returns for the climate fund. This implies that the average respondent who chose the climate fund perceived it as the financially less attractive choice. At the same time, respondents in the treatment group, on average, report a substantial level of positive emotions associated with investing in the climate fund—especially the ones who chose the climate fund. This indicates that participants in the treatment group experience a warm glow when investing sustainably. In addition, we find that the level of positive emotions associated with the climate fund has the strongest power among our perception measures in predicting the investment in the climate fund by respondents in the treatment group (see Table A4). Taken together, both the perceived costliness and the experienced emotional benefit indicate that, in the treatment group, the investment decision had the characteristics of a costly yet emotionally rewarding moral act, in line with prior research (Riedl and Smeets, 2017). Thus, the key precondition for potential moral licensing behavior is given in our setting (“Moral Licensing” channel).

– Table 3 –

4.2 Fund level expectations and political engagement

Correlations between respondents’ perceptions of the climate fund and their political engagement provide further evidence speaking against a crowding-out effect. Table 4 shows the correlations between the perception of the climate fund and our measures of political engagement for respondents in the treatment group that chose the climate fund.

We observe no clear relationship between net pro-campaign donations and the risk and return expectations of the climate fund. The relationship between the return expectations associated with the climate fund and the two alternative measures of climate political engagement (*Pro-campaign alignment* and *Voting intention*) is negative and statistically significant. We interpret this result as confirming that those green investors who see the green fund as more costly tend to be more supportive of climate regulation.¹⁶ In addition, the more positive emotions green investors associate with their investment, the more they donate to the pro-campaign. This is exactly the opposite of what we would expect in the “Moral Licensing” channel, where voters trade-off between different costly but emotionally rewarding actions.

Moreover, we find that believing that the climate fund brings larger climate protection benefits is associated with a higher level of political engagement. This speaks against a “Rational Substitution” channel: If respondents were really to perceive investments in the climate fund to be a substitute for political engagement, we should expect such an effect to be stronger (i.e., more negative) the more positively green investors perceived the climate

¹⁶These findings also provide evidence that green investors’ donations are unlikely to be driven by a perceived positive wealth effect triggered by their investment decision.

fund.

– Table 4 –

4.3 Treatment heterogeneity and subgroup effects

While we do not find any evidence that climate-conscious investing crowds out individuals’ political support for climate regulation on the level of our full sample, heterogeneous treatment effects could mask a crowding-out effect on potentially important subgroups. However, as shown in this section, we do not find any indications of a crowding-out effect if we split our sample along political preferences, respondents’ expectations regarding the outcome of the climate referendum, and their past sustainable investing activities (see Table 5).

– Table 5 –

First, we do not find evidence for a crowding-out effect among critical “swing voters”. One may be concerned that while sustainable investing does not crowd out political engagement for the average voter, it could still lead to such a crowding out among “swing voters” who do not have strong political views regarding climate policy. The sub-group effect could still have decisive consequences on political outcomes when the vote is closely contested, and swing voters are pivotal. We elicit political leanings using a 7-point Likert scale and combine the lower three options to generate the dummy variable *Politics: right* and the upper three options for *Politics: right*. The middle option represents swing voters. As shown in Table

A3, support for the climate law is positively related to a left-wing political affiliation and negatively related to a right-wing political affiliation.¹⁷ However, as shown in Table 5, we do not find a significant difference in net pro-campaign donation between treatment and control groups for any of the political subgroups (5).

Second, we also do not find indications of a crowding-out effect among voters who are uncertain about the outcome and thus may be more inclined to engage politically. Potentially, respondents who are very certain that the climate referendum will be accepted (or declined) may be less likely to engage politically, as they may feel that their contribution is unlikely to make a difference. Thus, if a large proportion of respondents in our sample is certain about the outcome, this may mask a potential crowding-out effect on respondents who are uncertain about the outcome. We elicit respondents' expectations on the outcome of the referendum leanings using a 7-point Likert scale ranging from certain acceptance to certain rejection. We classify the middle three options as *Uncertain* and the remaining options as *Certain*. As shown in Table 5, most respondents are rather uncertain about the outcome of the referendum. At the same time, we find (non-significantly) higher net-pro-campaign donations for certain and uncertain respondents, ruling out a substantial crowding-out effect on uncertain respondents.

Third, we show that differences in respondents' inclination toward sustainable investments do not mask a potential crowding out effect. Following the theory, for both a "Ra-

¹⁷As shown in Table A4 we also confirm the strong role of political preferences in driving sustainable investment decisions, in line with basic intuition and the extant literature.

tional substitution” and a “Moral Licensing” channel, we would expect that a crowding-out effect on political engagement is limited to participants who actually select the climate fund. Thus, if our treatment has, for other reasons, a strong crowding-in effect on respondents who do not choose the climate fund, this could mask a rational substitution or moral licensing behavior. We cannot test this concern directly, as by the nature of our design, we do not know who would select the climate fund in the control group. However, two findings make such a masking effect appear unlikely. First, we note that, within the treatment group, respondents who select the climate fund show a significantly higher level of political engagement for climate regulation (see Table A5). Second, we show that for participants who state that they have invested in sustainable investment products before, as well as for ones who state they have not, average net pro-campaign donations are (non-significantly) higher in the treatment group than in the control group.

4.4 Comparison with field data

A common concern about experimental surveys like ours is their external validity (e.g., Findley et al., 2021; Stantcheva, 2023). In this section, we compare our experimental data to observational data from the field. We present observational data on voting outcomes, investment behavior, and political donations that are broadly consistent with the behavior observed in our experiment.

First, our measures of political engagement align well with the voting outcome and opin-

ion polls. In the experiment, the share of people who indicated that they have the intention to vote for the climate law ($Voting\ intention > 0$) is 65.58%. In the actual vote on June 18, 2023 – about four weeks later – 59.1% of Swiss citizens voted yes for the climate law. Opinion polls surveying voting intentions measured 72% in favor of the climate law shortly before our data collection period and 63% afterward (GFS.Bern, 2023a,b). Looking at the geographical variation, the real voting outcomes across cantons correlate positively and statistically significantly ($p < 0.05$) with cantonal averages of voting intentions in our experiment, as shown in Figure 4 Panel (a).

– Figure 4 –

Second, we find that the pro-campaign donations observed in our experiment are largely consistent with donation behavior in the field. To compare donation behavior, we obtained anonymized records of real-world donations to the pro-campaign from March 17 to June 18, 2023, the full period of the donation collection done by the pro-climate-law campaign.¹⁸ The first observation is that most observed donations (*Real donation*) are within the limit of 250 CHF that we imposed in the experiment: 96% of all donations are smaller or equal to CHF 250. This indicates that the experimental setting did not substantially censor participants' willingness to donate. The median donation in the experiment is CHF 100, whereas the median donation in the observational data is CHF 50. Importantly, as Panel (c) in Figure 4

¹⁸We thank Sophie Fürst and Marcel Hänggi from the Swiss Association of Climate Protection (Verein Klimaschutz Schweiz) for kindly sharing this anonymized data with us. We obtain similar results when employing only donations made over the time frame of our experiment, from May 4 to May 18, 2023.

illustrates, we observe a positive and statistically significant ($p < 0.05$) relationship between the survey and the real-world variation in donations at the cantonal level.

Third, we show that the investment decisions observed in our experiment correspond well to investment behavior in the field. For an observational measure of investment behavior, we rely on account-level administrative data obtained from Raiffeisen Switzerland, a leading Swiss retail bank serving 3.6 million clients across Switzerland. The dataset consists of 112,837 unique investment accounts as of April 30, 2023. We compute the variable *Sustainable investing share* as the percentage of assets invested in financial instruments, e.g., stocks or funds, that are flagged as “sustainable” by Raiffeisen. A detailed description and summary statistics of this data are provided in Table A6. The average value of *Sustainable investing share* is 45.3%. Although the sustainable investment definition is not identical to the one in our experiment, the administrative data indicates that choosing an investment labeled as sustainable is common among Swiss retail investors. In our experiment, the fraction of respondents choosing the climate fund in the treatment group is 76.9%, while in the control group, 30.2% of respondents chose this fund even without knowing its climate credentials. Comparing real and experimental data at the cantonal level, we observe a positive (although not statistically significant, $p = 0.29$) relationship between real-life and survey sustainable investing behavior at the cantonal level (see Figure 4, Panel (b)).¹⁹

¹⁹We recognize that Raiffeisen’s clients may not be representative of the Swiss electorate. Also, in our experiment, respondents face a binary choice, whereas, in reality, people may allocate a fraction of their investments to sustainable funds.

Finally, both in our experiment and in the field, we find a positive correlation between sustainable investing and support for climate law. Table A7 shows a regression analysis of the relation between sustainable investing and political behavior based on observational data. Using municipal results of the vote on the climate law across 1,911 municipalities, we find a positive and significant correlation between the share of pro-climate-law votes and the municipality-level mean *Sustainable investing share*. This relation holds when controlling for age, wealth, and gender. We find the same in our experiment: those participants who decided to invest in the climate fund also supported the climate law (see Figure A5). Our experiment allows us to go beyond this correlation and test the causal effect of sustainable investing on political behavior.

5 Conclusion

Some observers argue that sustainable finance is a dangerous placebo that crowds out individual support for policy-driven solutions to societal challenges and that, as such, it is counterproductive from a welfare point of view. Others see sustainable finance as a valuable complement to imperfect policies that does not reduce—and potentially even increases—people’s engagement to solve societal challenges through the course of political processes.

In this paper, we explore which of these competing views of sustainable finance better describes individual behavior with a pre-registered experiment exploiting a real-world climate policy referendum in Switzerland.

We find that the opportunity to invest in a climate-conscious fund does not crowd out individual political engagement and costly efforts to advance formal climate policy.

Our results have important practical implications. One of the most powerful criticisms against the sustainable investing movement is that it not only has little direct environmental and social impact, but also distracts us from adopting harder-to-implement political solutions to societal problems. Our experiment suggests that this appealing narrative fails to describe actual individual behavior.

While we do not answer whether sustainable finance is a placebo, we show that it is not “dangerous” in the sense of distracting people from engaging on the political front.

Of course, the likelihood of advancing climate regulation also depends on how sustainable finance is perceived by policymakers and regulators: as either a call for action or an outsourcing of their responsibilities. Our experiment informs them that, on average, voters do not consider sustainable finance a substitute for political action.

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Figures

Figure 1: Switzerland's pro- and anti-climate-law 2023 referendum campaigns

The panel on the left is the slogan of the pro-climate-law campaign, which translates to “Protect what is important to us. Vote Yes.”. The panel on the right is the slogan of the anti-climate-law campaign, which translates to “Exacerbate the energy crisis? No to the electricity-eater-law”. Both campaign web pages prominently feature a “donate” button.



<https://klimaschutzgesetz-ja.ch/>



<https://stromfresser-gesetz-nein.ch/>

Figure 2: Salience of the treatment

This graph shows the fraction of respondents choosing the climate fund in the control and treatment groups. Participants received climate-related information about the two funds only in the treatment group. The bars indicate 95% confidence intervals.

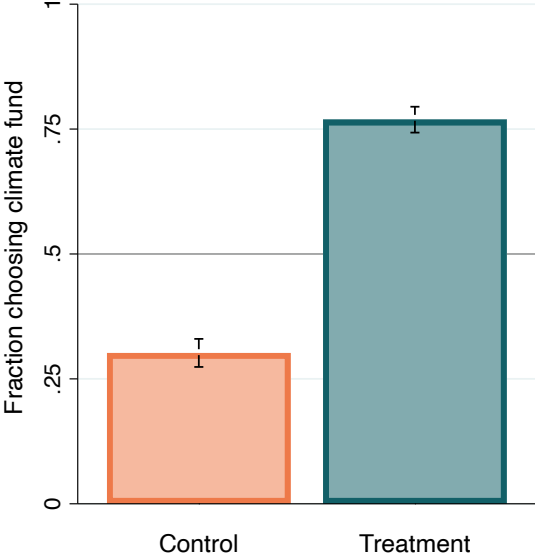
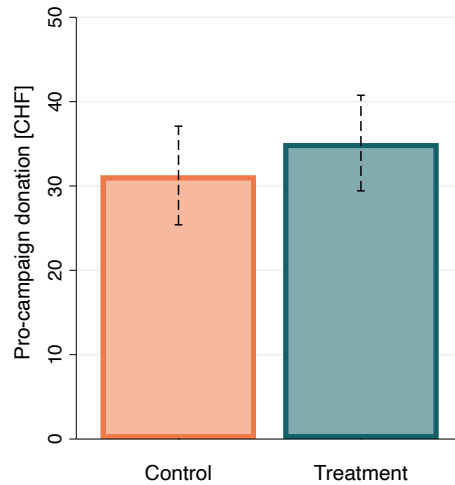
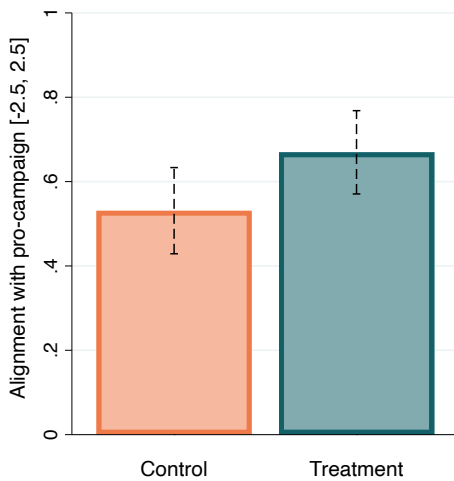


Figure 3: Political engagement in the treatment and control groups

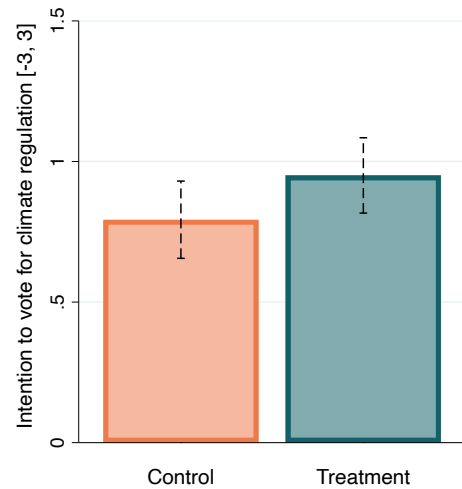
These figures show the effect of our sustainable finance treatment on individual political engagement. Panel (a) shows the average net pro-campaign donation (treating donations to the anti-campaign as negative) in CHF in the control and treatment groups. Panel (b) shows the pro-campaign alignment on a 6-point Likert Scale. Panel (c) shows the average intention to vote at the referendum in favor of the climate law on a 7-point Likert Scale. The bars indicate 95% confidence intervals.



(a) Net pro-campaign donation



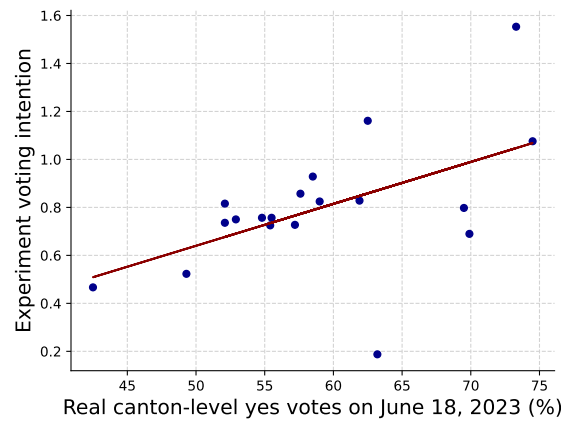
(b) Pro-campaign alignment



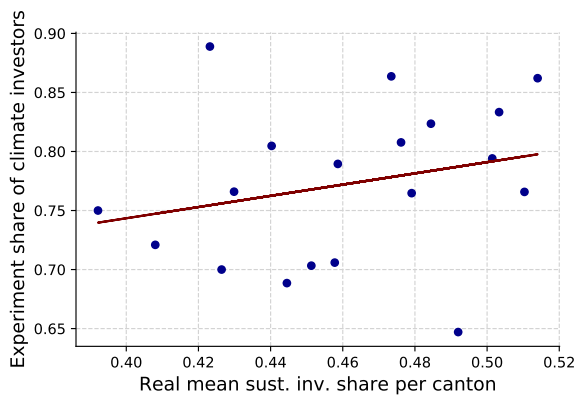
(c) Voting intention

Figure 4: Comparison with observational data: real vs. experiment behavior

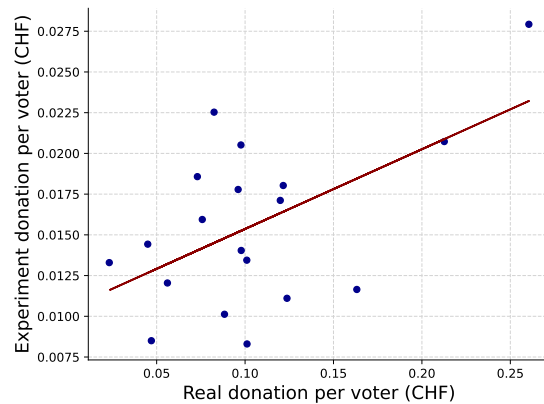
These figures show scatter plots comparing observational data and experimental data across cantons. Out of the 26 Swiss Cantons, the graphs exclude seven with less than 15 respondents to our survey (Appenzell Innerrhoden, Appenzell Ausserrhoden, Glarus, Obwalden, Nidwalden, Schaffhausen, and Uri). Panel (a) shows the correlation between the experimental variable *Voting intention* and the official percentage of yes votes registered in the climate referendum on June 18, 2023, in the respondents' canton of residency ($p < 0.05$). Panel (b) shows the correlation between the cantonal share of climate-conscious investors in the experiment and the average cantonal *Sustainable investing share* based on Raiffeisen client portfolios as of 30.04.2023 ($p = 0.29$). Panel (c) shows the correlation between the experimental variable *Donation* for the pro-campaign and the observational variable *Real donation* for the pro-campaign ($p < 0.05$).



(a)



(b)



(c)

Tables

Table 1: Demographics and political preferences by treatment group

This table presents the mean values of the demographic variables for our representative sample of the Swiss electorate in the treatment and control groups. The first two columns report the mean of the variables in the two groups; the third column reports p -values of a Mann–Whitney U test on the difference between the two.

	Mean Values		Mann–Whitney U Test
	CONTROL ($n = 1030$)	TREATMENT ($n = 1021$)	(CONTROL = TREATMENT)
Age [years]	47.8	47.9	$p = .917$
Gender [%]:			
Female	49.7	50.0	$p = .913$
Male	49.9	49.9	$p = .982$
Other	0.4	0.2	$p = .420$
Highest education	Secondary	Secondary	$p = .297$
Income [CHF]	8,001–12,000	8,001–12,000	$p = .407$
Net worth [CHF]	250,000–1M	250,000–1M	$p = .781$
Municipality [%]:			
Rural	33.7	34.9	$p = .574$
Urban	66.3	65.1	$p = .574$
Language region [%]:			
German	70.6	70.7	$p = .948$
French	24.4	24.6	$p = .910$
Italian	5.0	4.7	$p = .715$
Political preference [left: -3, right: 3]	0.197	0.235	$p = .550$

Table 2: Sustainable investing and climate policy support

This table reports the effects of the treatment on our measures of climate political engagement, as well as respondents' investment decision. For the campaign donations, donations to the pro-campaign are treated as positive, and donations to the anti-campaign as negative. The share of participants donating to the pro-campaign and the anti-campaign are reported separately. For the campaign alignment, positive values indicate alignment with the pro-campaign and negative ones with the anti-campaign. For the voting intention, positive values indicate an intention to vote for the climate law, and negative values indicate an intention to vote against it. The first two columns report mean values of the variables, by group; the third column reports p -values of a Mann–Whitney U test, testing for differences between the two treatments.

	Mean Values		Mann–Whitney U Test
	CONTROL ($n = 1030$)	TREATMENT ($n = 1021$)	(CONTROL = TREATMENT)
Political engagement			
Net pro-campaign donation [CHF]	31.2	35.1	$p = 0.285$
Share of pro-campaign donors [%]	33.1	34.1	$p = 0.639$
Share of anti-campaign donors [%]	12.3	9.2	$p = 0.063$
Pro-campaign alignment [-2.5, 2.5]	0.531	0.669	$p = 0.079$
Voting intention [-3, 3]	0.793	0.950	$p = 0.142$
Investment decision			
Climate fund selected [%]	30.2	76.9	$p < 0.001$

Table 3: Perception of the climate fund in the treatment group

This table reports respondents' perception of the climate fund, for respondents in the treatment group. The table shows the mean values of the perception measures, separately for respondents who chose the climate fund and respondents who did not, as well as the two groups combined. For risk expectations, return expectations, and positive emotions; positive values indicate that respondents have a more favorable view of the climate fund; negative ones indicate that they have a more favorable view of the conventional fund. For impact expectations, positive values indicate agreement with the statement that the fund makes a relevant contribution to climate protection. ***, **, and * show that a Wilcoxon signed-rank test indicates that observations are significantly different from zero at the 1%, 5%, and 10% level, respectively.

	Investment in Climate Fund		
	YES ($n = 785$)	NO ($n = 236$)	TOTAL ($n = 1,021$)
Risk expectations [-3, 3]	0.02	-0.41***	-0.08***
Return expectations [-3, 3]	-0.18***	-0.89***	-0.34***
Positive emotions [-3, 3]	1.56***	-0.42***	1.10***
Perceived climate impact [-3, 3]	1.03***	-0.20	0.74***

Table 4: Political engagement of climate-conscious investors

This table shows OLS regressions for the subsample of participants in the treatment group who chose to invest in the climate fund. We regress political engagement on expected profitability, positive emotions, and perceived climate protection impact associated with the climate fund. All regressions also control for respondents' demographic characteristics (age, gender, education, income, net worth, rural/urban area, and language region). *t* statistics based on robust standard errors are reported in parentheses. ***, **, and * indicate that the parameter estimate is significantly different from zero at the 1%, 5%, and 10% level, respectively.

	Net pro-campaign donation (1)	Pro-campaign alignment (2)	Voting intention (3)
Risk expecations	-2.173 (-0.70)	0.0354 (0.79)	0.00141 (0.03)
Return expectation	0.251 (0.08)	-0.114** (-2.48)	-0.129** (-2.13)
Positive emotions	11.88*** (3.48)	0.270*** (5.71)	0.387*** (5.80)
Perceived climate impact	4.932* (1.73)	0.0889** (2.11)	0.120** (2.34)
Constant	-14.97 (-1.12)	-0.113 (-0.56)	-0.299 (-1.13)
Observations	785	785	667
R-squared	0.0799	0.150	0.179
Demographics	Yes	Yes	Yes

Table 5: Treatment effect on campaign donations for subgroups

This table reports the effects of the treatment on net pro-campaign donations for subgroups of our sample. First, the table reports the treatment effect for three subgroups along respondent’s political affiliation (politics: left, center and right). Second, the table reports the treatment effect for a subgroup of respondents who report that they have invested in sustainable investment products in the past and for a subgroup of respondents who report they have not (Past sustainable investments: yes and no). The first two columns report mean net-donation values by group; the third column reports p -values of a Mann–Whitney U test, testing for differences between the two treatments.

	Mean Net Donation Values [CHF]		Mann–Whitney U Test
	CONTROL	TREATMENT	(CONTROL = TREATMENT)
Politics:			
Left ($n = 988$)	57.5	63.6	$p = 0.308$
Center ($n = 426$)	21.0	20.0	$p = 0.642$
Right ($n = 637$)	-2.3	0.7	$p = 0.650$
Expectation outcome vote:			
Certain ($n = 471$)	29.4	32.8	$p = 0.868$
Uncertain ($n = 1,580$)	31.8	35.8	$p = 0.262$
Past sustainable investments:			
Yes ($n = 782$)	45.0	48.7	$p = 0.556$
No ($n = 1,269$)	22.66	26.8	$p = 0.352$

Appendix

Table A1: Main variable definitions

This table provides a description of the main variables used in the paper.

Variable	Description
Political engagement	
<i>Net pro-campaign donation</i>	CHF amount donated to the pro-climate-law campaign (pro-campaign), given that the respondent's values align with it. Donations to the anti-climate-law campaign (anti-campaign) are coded as negative.
<i>Pro-campaign alignment</i>	Answer to the question "Which of the committees (rather) represents your personal opinion?" on a 6-point Likert scale. Values are scaled from -2.5 (values align with the anti-campaign) to 2.5 (values align with the pro-campaign).
<i>Voting intention</i>	Answer to the question "Do you already know how you will vote on the referendum on the Federal Act on Climate Protection Targets, Innovation, and Strengthening Energy Security?" on a 7-point Likert scale (with the possibility of not disclosing the intention). Values are scaled from -3 (strong intention to vote against the climate law) to 3 (strong intention to vote for the climate law).
Financial expectations and impact perceptions	
<i>Treatment</i>	Indicator equal to 1 for respondents in the treatment group.
<i>Risk expectations</i>	Answer to the question "How do you assess the risk of Fund A and Fund B in comparison?" on a 7-point Likert scale. Values are scaled from -3 (the climate fund is perceived as significantly more risky) to 3 (the climate fund is perceived as significantly less risky), reflecting the actual randomized position of the climate fund as Fund A or B.
<i>Return expectations</i>	Answer to the question "What do you expect from Fund A and Fund B in terms of return?" on a 7-point Likert scale. Values are scaled from -3 (the climate fund is expected to deliver a strongly lower return than the conventional fund) to 3 (the climate fund is expected to deliver a strongly higher return than the conventional fund), reflecting the actual randomized position of the climate fund as Fund A or B.
<i>Positive emotions</i>	Answer to the question "How does it feel to invest in Fund A or Fund B in comparison?" on a 7-point Likert scale. Values are scaled from -3 (it feels much better to invest in the conventional fund) to 3 (it feels much better to invest in the climate fund), reflecting the actual randomized position of the climate fund as Fund A or B.
<i>Investment in climate fund</i>	Indicator equal 1 for respondents who invested in the climate fund in the Investment Stage, and 0 for those who invested in the conventional fund.
<i>Perceived climate impact</i>	[For treatment group only] Agreement with the statement "An investment in the iShares MSCI World Paris Aligned Climate ETF fund [Climate fund] makes a relevant contribution to climate protection." on a 7-point Likert scale. Values are scaled from -3 (strongly disagree) to 3 (strongly agree).

Political preferences and expectations

<i>Political preference</i>	Answer to the question “Where do you place yourself on the political spectrum from left to right?” on a 7-point Likert scale. Values are scaled from -3 (right) to 3 (left).
<i>Politics: right</i>	Indicator equal to 1 if the respondent chooses <i>-3, -2, or -1</i> on the Likert scale of political preferences, and 0 otherwise.
<i>Politics: left</i>	Indicator equal to 1 if the respondent chooses <i>1, 2, or 3</i> on the Likert scale of the political preference, and 0 otherwise.
<i>Expectation outcome vote</i>	Answer to the question “What do you think the Swiss electorate will decide in the vote on the “Federal Act on Climate Protection Targets, Innovation and Strengthening Energy Security”?” on a 7-point Likert scale. Values are scaled from -3 (“The law will certainly be rejected.”) to 3 (“The law will certainly be adopted.”).

Demographics

<i>Age</i>	Self-reported age in full years.
<i>Gender</i>	Self-reported gender.
<i>Male</i>	Indicator equal 1 for male respondents, and 0 otherwise.
<i>Highest education</i>	Self-reported level of education.
<i>Higher education</i>	Indicator equal to 1 if the respondent reported a tertiary education, and 0 otherwise.
<i>Income</i>	Self-reported personal monthly gross income, with options ranging from “ <i>up to CHF 2,000</i> ” to “ <i>Over CHF 20,000</i> ” in steps of CHF 3,000.
<i>Net worth</i>	Self-reported total liquid assets, with options being “ <i>Less than CHF 50,000</i> ”, “ <i>Between CHF 50,000 and 75,000</i> ”, “ <i>Between CHF 75,000 and 200,000</i> ”, “ <i>Between CHF 200,000 and 250,000</i> ”, “ <i>Between CHF 250,000 and 1 million</i> ”, and “ <i>Over CHF 1 million</i> ”.
<i>High income</i>	Indicator equal to 1 if the respondent reported an above median income, and 0 otherwise.
<i>Untold income</i>	Indicator equal to 1 if the respondent decided not to self-report the monthly income, and 0 otherwise.
<i>High net worth</i>	Indicator equal to 1 if the respondent declared an above median net worth, and 0 otherwise.
<i>Untold net worth</i>	Indicator equal to 1 if the respondent chooses “ <i>No indication</i> ” from the options for the self-reported net worth, and 0 if any other category is chosen.
<i>Municipality</i>	The urban or rural status of the municipality of the respondent’s principal residence by population density, derived from the postal code indicated by the respondent.
<i>Language region</i>	The primary language in the respondent’s principal residence (German, French, or Italian); derived from the postal code indicated by the respondent.
<i>French speaking region</i>	Indicator equal to 1 if the primary language in the respondent’s municipality of residency is French, and 0 otherwise.
<i>Italian speaking region</i>	Indicator equal to 1 if the primary language in the respondent’s municipality of residency is Italian, and 0 otherwise.

Table A2: Treatment effect on political engagement controlling for demographic characteristics

This table shows the results of OLS regressions of individual climate political engagement on the treatment indicator. Columns 1-2 regress our main measure of political engagement, the donations to the pro-climate-law campaign; columns 2-3 employ the stated alignment with the pro-climate-law campaign; while columns 5 and 6 regress the intention to vote to the pro-campaign. Columns 2, 4, and 5 also control for various demographic characteristics. t statistics based on robust standard errors are shown in parentheses. ***, **, and * indicate that the parameter estimate is significantly different from zero at the 1%, 5%, and 10% level, respectively.

	Net pro-campaign donation		Pro-campaign alignment		Voting intention	
	(1)	(2)	(3)	(4)	(5)	(6)
Treatment	3.843 (0.93)	4.811 (1.19)	0.138* (1.91)	0.163** (2.33)	0.157 (1.61)	0.181* (1.92)
Age		0.0846 (0.68)		0.00287 (1.24)		0.00392 (1.26)
Male		-4.330 (-1.04)		-0.260*** (-3.59)		-0.306*** (-3.15)
Higher education		30.58*** (6.85)		0.686*** (9.35)		0.769*** (7.79)
High income		-1.670 (-0.34)		-0.263*** (-3.01)		-0.343*** (-2.96)
Untold income		-3.263 (-0.39)		-0.245 (-1.60)		-0.458** (-2.04)
High net worth		8.485* (1.65)		0.207** (2.40)		0.286** (2.45)
Untold net worth		-8.952 (-1.12)		-0.168 (-1.11)		-0.219 (-0.99)
Urban region		19.33*** (4.51)		0.370*** (4.79)		0.486*** (4.63)
French speaking region		-6.960 (-1.51)		-0.116 (-1.42)		-0.0492 (-0.44)
Italian speaking region		-16.83** (-2.01)		-0.200 (-1.19)		-0.172 (-0.82)
Constant	31.24*** (10.48)	3.948 (0.56)	0.531*** (10.20)	0.112 (0.84)	0.793*** (11.33)	0.248 (1.41)
Observations	2,051	2,051	2,051	2,051	1,726	1,726
R^2	0.000	0.047	0.002	0.074	0.002	0.072

Table A3: Treatment effect heterogeneity along political preferences

This table shows the results of OLS regressions testing the cross-sectional heterogeneity of the treatment effect on political engagement based on respondents' political affiliation. t statistics based on robust standard errors are reported in parentheses. ***, **, and * indicate that the parameter estimate is significantly different from zero at the 1%, 5%, and 10% level, respectively.

	Net pro-campaign donation		Pro-campaign alignment		Voting intention	
	(1)	(2)	(3)	(4)	(5)	(6)
Treatment	3.644 (0.93)	3.942 (0.64)	0.133** (2.09)	0.227* (1.78)	0.150* (1.75)	0.235 (1.23)
Politics: left	50.46*** (10.96)	50.49*** (7.68)	1.222*** (16.02)	1.316*** (11.94)	1.567*** (14.48)	1.628*** (10.50)
Politics: right	-19.06*** (-4.15)	-18.63*** (-2.78)	-0.574*** (-6.32)	-0.546*** (-4.22)	-0.636*** (-4.90)	-0.591*** (-3.18)
Treatment × Politics: left		-0.0707 (-0.01)		-0.187 (-1.22)		-0.125 (-0.58)
Treatment × Politics: right		-0.865 (-0.09)		-0.0549 (-0.30)		-0.0922 (-0.35)
Constant	16.45*** (4.48)	16.30*** (3.69)	0.208*** (2.89)	0.161* (1.74)	0.317*** (3.01)	0.275** (2.02)
Observations	2051	2051	2051	2051	1726	1726
R^2	0.107	0.107	0.229	0.230	0.239	0.239

Table A4: Decision to invest in the climate fund

This table reports the results of Logit regressions of the decision to invest in the climate fund in the treatment group on respondents' financial expectations about the climate fund, its perceived climate protection benefits, and respondents' political affiliation. All regressions also control for respondents' demographic characteristics (age, gender, education, income, net worth, rural/urban area, and language region). *t* statistics based on robust standard errors are reported in parentheses. ***, **, and * indicate that the parameter estimate is significantly different from zero at the 1%, 5%, and 10% levels, respectively.

	Investment in climate fund	
	(1)	(2)
Risk expectations	0.403*** (3.66)	
Return expectation	0.622*** (5.52)	
Positive emotions	1.070*** (11.09)	
Perceived climate impact	0.453*** (6.55)	
Politics: left		0.883*** (4.32)
Politics: right		-0.239 (-1.22)
Constant	0.188 (0.48)	0.366 (1.16)
Pseudo-R-squared	0.411	0.0535
Observations	1021	1021
Demographics	Yes	Yes

Table A5: Political engagement and investment decisions

This table shows the results of OLS regressions of individual climate political engagement in the treatment group on an indicator equal to one for respondents who invested in the climate fund. t statistics based on robust standard errors are reported in parentheses. ***, **, and * indicate that the parameter estimate is significantly different from zero at the 1%, 5%, and 10% level, respectively.

	Net pro-campaign donation (1)	Pro-campaign alignment (2)	Voting intention (3)
Investment in climate fund	50.26*** (8.94)	1.285*** (10.80)	1.545*** (8.89)
Constant	-31.34*** (-3.01)	-0.798*** (-4.29)	-0.973*** (-3.88)
Observations	1021	1021	847
R-squared	0.0919	0.186	0.179
Demographics	Yes	Yes	Yes

Table A6: Observational variables definitions

This table provides a description of the additional observational variables used in section 4.4.

Variable	Description	Mean	Std
<i>Municipal yes votes</i>	Percentage of voters who voted "yes" on the adoption of the Climate and Innovation Act on June 18, 2023. Aggregated on a municipality level. Covered are 1,911 municipalities from a total of 2,136 Swiss municipalities. ²⁰	0.566	0.069
<i>Real donation</i>	Real donations to the pro-climate-regulation campaign (17th of March to 18th of June, N = 9,252), in CHF. This data was provided by the pro-climate-regulation campaign. Values in parentheses are based on the winsorized data (at 250).	277.599 (74.607)	7143.798 (58.625)
<i>Sustainable investing share</i>	Value-weighted share of sustainable investments in investment accounts of Raiffeisen Switzerland (N = 112,837). Sustainability is determined based on an internal procedure using third-party ratings. Cash is never considered sustainable.	0.453	0.337
<i>Age</i>	Indicated age of the investment account holder. Linearized as the mean of the bins: " ≤ 25 ", " $25-34$ ", " $35-44$ ", " $45-54$ ", " $55-64$ ", " $65-74$ ", " ≥ 75 ". Observations with unreported age are omitted.	63.331	15.529
<i>Account volume</i>	Total volume of assets in a given account, including liquidity in thousands of Swiss francs. Linearized as the mean of the bins: " $1-35$ ", " $35-80$ ", " $80-150$ ", " $150-300$ ", " $300-1000$ ", " ≥ 1000 ". Observations with empty accounts are omitted.	188.942	332.687
<i>Male</i>	Indicator variable that is equal to 1 for male account holders.	0.517	0.500

²⁰Source of municipal data: <https://swissvotes.ch/vote/663.00>

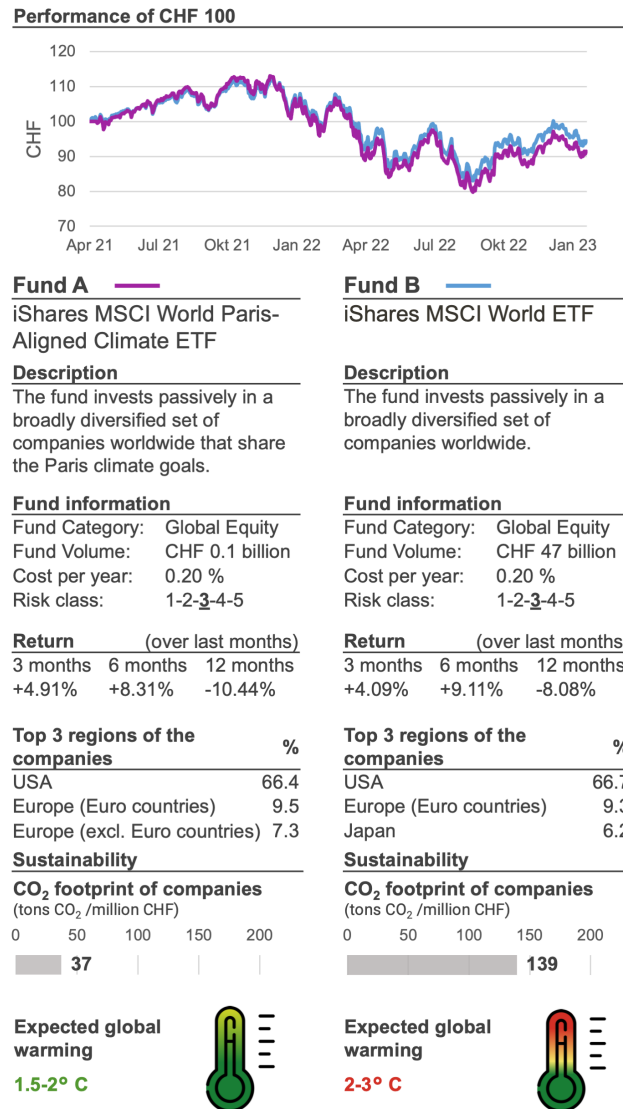
Table A7: Municipal vote results on the climate law and sustainable investing

This table shows the OLS estimates of regressing the percentage of Yes votes registered in the climate referendum on June 18, 2023, per municipality on average share of sustainable investments (*Sustainable investing share*) in the portfolios of Raiffeisen clients per municipality as of 30.04.2023. All variables are described in Table A6. *t* statistics are reported in parentheses. ***, **, and * indicate that the parameter estimate is significantly different from zero at the 1%, 5%, and 10% levels, respectively.

	Municipal Yes votes (%)	
	(1)	(2)
(Mean) Sust. investing share	9.132*** (4.146)	6.814*** (3.213)
(Mean) Account volume		0.013*** (4.374)
(Mean) Client age		0.312*** (5.542)
Share of males		-15.643*** (-8.799)
Observations	1911	1911
R^2	0.009	0.094

Figure A1: Investment Stage: Treatment group

This figure shows the information shown to the respondents in the treatment group when they are asked to invest CHF 1,000 (USD 1,100). In addition to the information shown in the control group, we reveal the climate focus of Fund A and add explicit climate impact metrics for both funds.



Risk class: Measures how much the fund's returns fluctuate compared to similar investments. Higher risk class means higher fluctuations.

CO₂ footprint: Measures the greenhouse gas emissions of the companies in the fund relative to their sales. High values indicate high CO₂ emissions.

Expected global warming: Measures the alignment of the companies in the fund with the Paris Agreement. This envisages limiting global warming to 2°C. Values above 2°C indicate that companies do not support this target.

Data sources: Morningstar, Fund Manager

Figure A2: Investment Stage: Control group

This figure shows the information the respondents in the control group see when they are asked to invest CHF 1,000 (USD 1,100).

Performance of CHF 100



Fund A

Description

The fund invests passively in a broadly diversified set of companies worldwide.

Fund information

Fund Category: Global Equity
 Fund Volume: CHF 0.1 billion
 Cost per year: 0.20 %
 Risk class: 1-2-3-4-5

Return (over last months)

3 months 6 months 12 months
 +4.91% +8.31% -10.44%

Top 3 regions of the companies

Region	%
USA	66.4
Europe (Euro countries)	9.5
Europe (excl. Euro countries)	7.3

Fund B

Description

The fund invests passively in a broadly diversified set of companies worldwide.

Fund information

Fund Category: Global Equity
 Fund Volume: CHF 47 billion
 Cost per year: 0.20 %
 Risk class: 1-2-3-4-5

Return (over last months)

3 months 6 months 12 months
 +4.09% +9.11% -8.08%

Top 3 regions of the companies

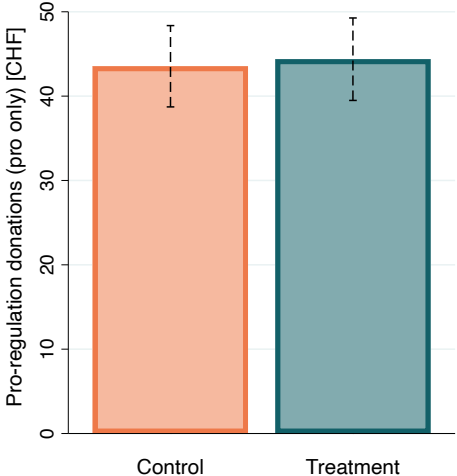
Region	%
USA	66.7
Europe (Euro countries)	9.3
Japan	6.2

Risk class: Measures how much the fund's returns fluctuate compared to similar investments. Higher risk class means higher fluctuations.

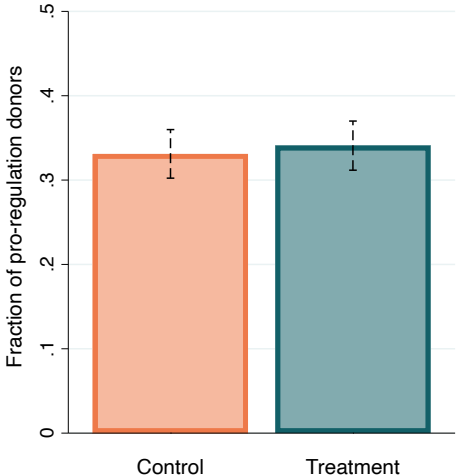
Data sources: Morningstar, Fund Manager

Figure A3: Donations to the pro-climate regulation committee

These figures show the effective donations to the pro-climate regulation committee. Panel (a) shows the average pro-campaign donation in CHF in the control and treatment groups. Panel (b) shows the share of respondents who donated to the pro-campaign in the control and treatment groups. The bars indicate 95% confidence intervals.



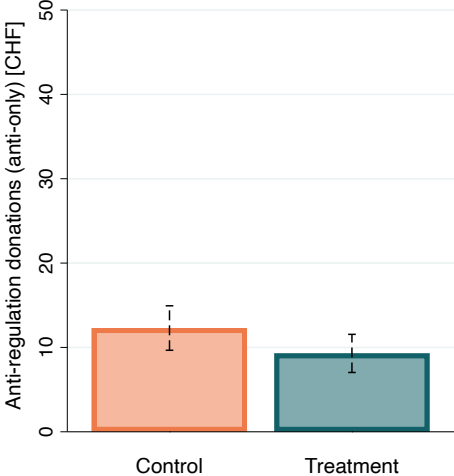
(a) Pro-campaign donation, CHF



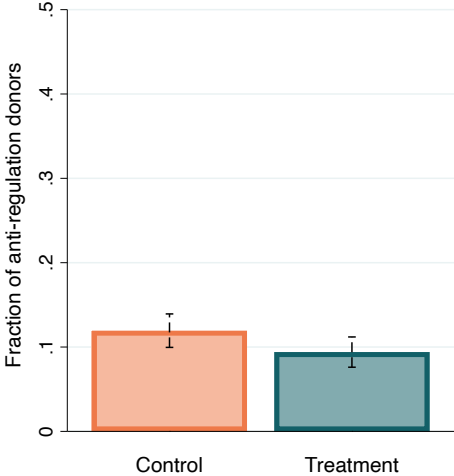
(b) Pro-campaign donation, Share

Figure A4: Donations to the anti-climate regulation committee

These figures show the effective donations to the anti-climate regulation committee. Panel (a) shows the average anti-campaign donation in CHF in the control and treatment groups coded with a minus sign. Panel (b) shows the share of respondents who donated to the anti-campaign in the control and treatment groups. The bars indicate 95% confidence intervals.



(a) Anti-campaign donations, CHF



(b) Anti-campaign donation, Share

A Survey questionnaire

In what follows, we report the English version of the questionnaire used for our experiment.

The survey was run in the three official Swiss languages: German, French, and Italian.

1 Reception

This survey is part of a research project on investment decisions and preferences. It is being conducted jointly by the University of St. Gallen, the University of Zurich, and MIT Sloan.

Your answers will be treated anonymously and confidentially and cannot be linked to you personally. Your participation is voluntary, and you can leave the survey at any time. By clicking "Continue", you confirm that you are of legal age, that you are voluntarily participating in this survey, and that you agree to consent to your answers being used for scientific purposes. During the course of the study, you will have the opportunity to invest real money, which will be made available to you, in an investment option. You do not need any experience in investments to do this. The money invested, including any returns, can - with a bit of luck - be paid out personally (Drawing of the winners).

Please read all the instructions carefully and take enough time to answer as you would in "real life".

It takes about 15 minutes to complete the survey.

2 Screening

Q1 Age - All

How old are you?

Q2 Postcode - All

What is the postcode of your principal residence?

Q3 Gender - All

Please indicate your gender:

1. Male
2. Female
3. Other

3 Investment Stage

Q4 Fund - All

Do you currently have money invested in investment funds?

Infobox

Investment funds are a category of investment transactions. Payments made by many individual investors are invested according to a defined strategy. Depending on the strategy, the fund assets are invested by investment experts on the international securities markets in shares, bonds, and other investments (e.g., real estate, precious metals).

1. yes
2. no
99. no indication

Group Randomisation into 4 groups (1A 1B 2A 2B)

Structurally identical samples

4 Performance 1 - All

Text

Below we will provide information on two investment funds (Fund A and Fund B).

Subsequently, you can **invest** an amount of CHF 1,000 in **Fund A or Fund B**. This amount will be placed at your disposal.

After the completion of this study, we will draw 10 participants at random. **If you are one of the winners**, the sponsor of this study will **make a real investment of CHF 1,000 in the fund** you have chosen. After one year, the investment will be sold at the current market value, and the proceeds will be paid out to you.

So note that your decisions - should you be one of these drawn winners - will trigger real investments and have a direct impact on your payout amount.

Factsheets and questions Q5-Q8 on the same page.

Text

Please read the information on Fund A and Fund B carefully.

Here TREATMENT or CONTROL

Text

To ensure that you have read and correctly understood the descriptions, please answer the following questions.

Q5 Fund A - All

What is the return over the last 6 months for **Fund A**?

1. +4.09%
2. +4.91%
3. +8.31%
4. +9.11%
99. don't know

Q6 Fund B - All

What is the return over the last 6 months for **Fund B**?

1. +4.09%
2. +4.91%
3. +8.31%
4. +9.11%
99. don't know

If Sample = TREATMENT / resp. hide if Sample CONTROL

Q7 Fund A - if Group 2A [Group = 2A] or if Group 2B [Group = 2B]

What is the expected temperature increase for Fund A?

1. 1.5-2°C
2. 1.5-2.5 °C
3. 2-3°C
4. 3-4°C
99. don't know

Q8 Fund B - if Group 2A [Group = 2A] or if Group 2B [Group = 2B]

What is the expected temperature increase for Fund B?

1. 1.5-2°C
2. 1.5-2.5 °C
3. 2-3°C
4. 3-4°C
99. don't know

5 Performance 2 - if not correct answer

Text

Unfortunately, some of your answers were incorrect or you selected the option "Don't know". Please read the information again carefully and answer the questions again.

[Questions Q8-Q12 on same page]

Q5 Fund A - All

What is the return over the last 6 months for Fund A?

- 1. +4.09%
- 2. +4.91%
- 3. +8.31%
- 4. +9.11%
- 99. don't know *[grey out]*

Q6 Fund B - All

What is the return over the last 6 months for Fund B?

- 1. +4.09%
- 2. +4.91%
- 3. +8.31%
- 4. +9.11%
- 99. don't know *[grey out]*

If Sample = TREATMENT

Q7 Fund A

What is the expected temperature increase for Fund A?

- 1. 1.5-2°C
- 2. 1.5-2.5 °C
- 3. 2-3°C
- 4. 3-4°C
- 99. don't know

Q8 Fund B

What is the expected temperature increase for Fund B?

- 1. 1.5-2°C
- 2. 1.5-2.5 °C
- 3. 2-3°C
- 4. 3-4°C
- 99. don't know

6 Investment Stage

Q9 Investment Decision - All

You can now invest CHF 1,000. In which fund would you like to invest this amount?

Infobox

After the completion of this study, we will draw 10 participants at random. **For the winners, a real investment of CHF 1,000 will be made** by the client of this study in the **fund** you have chosen. After one year, the investment will be sold at the current market value and the proceeds will be paid out to them.

So note that your decisions - should you belong to these drawn winners - trigger real investments and directly affect their payout amount.

1. Fund A
2. Fund B

7 Political Stage

Text - All

In the next part of the survey, we are interested in your opinion about an upcoming political event.

On 18 June 2023, the Swiss electorate will vote on a new law: The "**Federal Act on Climate Protection Goals, Innovation and Strengthening Energy Security**".

This Act aims to achieve the following objectives:

- The reduction of greenhouse gas emissions and application of negative emission technologies
- Adaptation to and protection from the impacts of climate change
- Targeting financial flows toward low-emission and climate change-resilient development
- Replacing fossil-fuelled heating systems and electric heating systems with heat generation from renewable energies and energy efficiency measures

These targets are in line with the international climate targets set in Paris. Overall, the Confederation shall ensure that the impact of man-made greenhouse gas emissions in Switzerland is zero by 2050 (net zero target).

Text box

In the run-up to the vote, **two committees hold opposing views** on this law. Below we show you the main arguments of the Yes and the No committees. Please read them carefully.

Text No Committee - All



The committee "Electricity-eater-law NO" is campaigning for the **rejection** of the law.

Arguments of the committee "Electricity-eater-law NO":

- **Exploding electricity prices:** With this law, electricity and energy become a luxury for the rich. Industry has to limit its production or relocate abroad. Homeowners will have to invest massively, and flat rents will rise.
- **Phase-out without a plan:** This extreme law leads to a de facto ban on fossil fuels such as heating oil, petrol, diesel and gas. This without a plan on how to produce enough affordable electricity for electric cars, heat pumps, etc.
- **Security of supply at risk:** The haphazard phase-out endangers our security of supply! We will become even more dependent on the weather and resources from abroad.

Text Yes Committee - All



The committee "Climate Protection Law YES" is campaigning for the law to be **adopted**.

Arguments of the committee "Climate Protection Law YES":

- **Doing nothing exacerbates climate damage - the consequential costs are rising:** The longer we wait, the worse the damage from climate change will become. If we invest in climate protection today, we will save a lot of money in the future.
- **With the climate targets, Switzerland is taking responsibility:** Switzerland is setting itself climate targets and freeing itself from dependence on oil and gas from abroad. In this way, we are taking responsibility for future generations.
- **Tackling climate protection, seizing opportunities:** The Climate Protection Act promotes innovative technology for climate protection. This generates added value at home and markets for the export industry.

Q10 Support - All

Which of the committees (rather) represents your personal opinion?

The Committee "Electricity-eater-law NO" Committee					The "Climate Protection Law YES" Committee
1	2	3	4	5	6

If Q10 <= 3.

Q11.B Support - [If Q10 = 1, 2 or 3]

You now have the opportunity to support the committee "Electricity-eater-law NO" with a donation of up to CHF 250.

A donation enables the No Committee to take various measures to convince voters of their arguments before the vote. The committee uses your donation, for example, to distribute flyers, place advertisements or put up posters.

Note: If you are one of the ten winners for whom we invest CHF 1,000, we will donate the selected amount immediately. We will later deduct the donation amount from the payout to you.

How much CHF would you like to donate to the "Stromfresser-Gesetz NEIN" committee?

Type in the desired CHF amount.

If Q10 >= 4.

Q11.A Support - [If Q10 = 4, 5 or 6]

You now have the opportunity to support the committee "Climate Protection Law YES" with a donation of up to CHF 250.

A donation enables the Yes Committee to take various measures to convince voters of their arguments before the vote. The committee uses your donation, for example, to distribute flyers, place advertisements, or put up posters.

Note: If you are one of the ten winners for whom we invest CHF 1,000, we will donate the selected amount immediately. We will later deduct the donation amount from the payout to you.

How much CHF would you like to donate to the "Climate Protection Law YES" committee?

Type in the desired CHF amount.

Q12 Voting - All

Do you already know how you will vote on the referendum on the "Federal Act on Climate Protection Targets, Innovation, and Strengthening Energy Security"?

I will vote for the law						I will vote against the law
1	2	3	4	5	6	7

97. I will not vote.

98. I am not entitled to vote.

99. not specified

Q13 Reconciliation Forecast All

How do you think the Swiss electorate will decide in the vote on the "Federal Act on Climate Protection Targets, Innovation and Strengthening Energy Security"?

Likert Scale:

1. the law will certainly be adopted.

(2 -6)

7. the law will certainly be rejected.

8 Survey Stage

If Sample = TREATMENT

Q14 Impact Expectations Fund

Text

Below you can see the two funds again:

Question

How strongly do you agree with the following statement?

"An investment in the iShares MSCI World Paris Aligned Climate ETF (Fund A/B) fund makes a relevant contribution to climate protection."

Likert Scale:

1. do not agree at all

(2. - 6.)

7. fully agree

Q15 Impact Expectations Companies - All

The following question refers to investments in individual companies. For each of the companies mentioned, how strongly do you agree with the statement below?

"An investment in this company makes a relevant contribution to climate protection."

	Company	Description	Do not agree at all				Agree wholeheartedly		
			1	2	3	4	5	6	7
[1]	ABB Ltd	Energy and automation technology group	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
[2]	Alphabet Inc	Technology company formerly known as Google	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
[3]	Amazon Com Inc	Online mail order company	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
[4]	Apple Inc	Software developers and technology companies	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
[5]	ExxonMobil Corp	Oil company	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
[6]	Meta Platforms	Technology company formerly known as Facebook	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
[7]	Microsoft Corp	Hardware and software developer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
[8]	Nvidia Corp	Technology company	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
[9]	Schneider Electric	Electrical engineering group	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
[10]	Tesla Inc	Car manufacturer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
[11]	Unitedhealth Group Inc	Insurance group with focus on health insurance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
[12]	Vestas Wind Systems AS	Wind turbine manufacturer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

New page

Q16 Expectations Risk - All

How do you assess the risk of Fund A and Fund B in comparison?

An investment in Fund A is much riskier.						An investment in Fund B is much riskier.	Can't judge
1	2	3	4	5	6	7	99

Q17 Expectations Return - All

What do you expect from Fund A and Fund B in terms of return?

Fund A will achieve a much higher return.						Fund B will achieve a much higher return.	Can't judge
1	2	3	4	5	6	7	99

Q18 Feeling - All

How does it feel to invest in fund A or fund B in comparison?

It feels much better to invest in fund A .						It feels much better to invest in fund B .	Can't judge
1	2	3	4	5	6	7	99

9 Survey Stage (Political Orientation)

Q19 Vote - All

Where do you place yourself on the political spectrum from left to right?

Likert Scale:

1. Left

(2-6)

7. Right

99. not specified

Q20 Party - All

Which party or parties did you vote for in the last National Council elections (2019)?

1. Swiss People's Party (SVP)
- 2nd Social Democratic Party (SP)
3. FDP. Die Liberalen.
- 4th Green Party of Switzerland (GPS)
5. Christian Democratic People's Party (CVP)
6. green liberal party (GLP)
- 7th Evangelical People's Party (EPP)
8. civic democratic party (BDP)
9. federal democratic union (EDU)
- 10 Lega dei Ticinesi
- 11 Ensemble à Gauche
- 12th Party of Labour Switzerland (PDA)
98. others: *[text box]*
99. I have not voted.
100. i am not eligible to vote.
- 101 I can't remember.
102. no indication

Q21 Votes - All

How have you voted on environmental issues in past votes?

1. Vote on the revised CO2 Act (13 June 2021)
2. Popular Initiative for Responsible Business - to Protect People and the Environment (Corporate Responsibility Initiative) (29 November 2020)
3. Popular Initiative for Clean Drinking Water and Healthy Food (Drinking Water Initiative) (13 June 2021)

[in columns]

1. In favour [Yes]
2. Against [No]
3. Included / not voted
97. I am not entitled to vote.
98. I can't remember.
99. no indication

10 Survey Stage (Statistics)

Text - All

Finally, we would have some statistical questions.

Q22 Sustainable investment products - All

Are you currently investing in sustainable investment products?

1. yes, I invest **all my assets** exclusively in sustainable investment products
2. yes, I invest a **substantial part of my assets** in sustainable investment products
3. yes, I invest a **small part of my assets** in sustainable investment products
4. no, I do **not** invest in **sustainable** investment products
98. don't know
99. No information.

Q23 Assets - All

In which asset class do your personal liquid assets fall?

Infobox

Liquid assets are amounts that you have invested in accounts or securities and that are in your name. They do not include real estate, tied pension assets and insurance policies that are only available in the long term.

Single Choice

1. less than CHF 50,000
2. between CHF 50,000 and 75,000
3. between CHF 75,000 and 200,000
4. between CHF 200,000 and 250,000
5. between CHF 250,000 and 1 million
6. over CHF 1 million
99. no indication

Q24 Gross income - All

In which income class does your **personal monthly gross income** fall?

Info:

Pension benefits are also considered income.

Single Choice

1. up to CHF 2'000
2. CHF 2'001 - CHF 5'000
3. CHF 5'001 - CHF 8'000
4. CHF 8'001 - CHF 12'000
5. CHF 12'001 - CHF 16'000
6. CHF 16'001 - CHF 20'000
7. over CHF 20,000
98. don't know
- 99 No specification

Q25 Interest in investment topics

How interested are you in the topic of investing or investment transactions?

Single Choice

1. I am not interested at all
(2-6)
7. I am very interested

Q26 Education - All

What is the highest education you have completed with a certificate or diploma?

1. compulsory school (primary, secondary, Real- district school, Pro-, Untergymnasium)
2. vocational apprenticeship or full-time vocational school (for example, commercial school, school for nursing, school for medical assistants, school for nurses, training workshop)
3. baccalaureate school, primary teacher training
4. higher technical or vocational training (e.g., master craftsman's diploma, higher technical examination, federal certificate)
5. university of applied sciences (formerly, for example, HTL/HWV/HKG)
6. university, ETH
7. other training
8. no school education or vocational training

11 Closing

You have now reached the end of the questionnaire. Thank you very much for your participation.

If you are drawn, and you are one of the winners, we will contact you in June 2023.

Factsheet 1A

Performance of CHF 100



Fund A

Description

The fund invests passively in a broadly diversified set of companies worldwide.

Fund information

Fund Category: Global Equity
 Fund Volume: CHF 0.1 billion
 Cost per year: 0.20 %
 Risk class: 1-2-~~3~~-4-5

Return (over last months)

3 months 6 months 12 months
 +4.91% +8.31% -10.44%

Top 3 regions of the companies

Region	%
USA	66.4
Europe (Euro countries)	9.5
Europe (excl. Euro countries)	7.3

Fund B

Description

The fund invests passively in a broadly diversified set of companies worldwide.

Fund information

Fund Category: Global Equity
 Fund Volume: CHF 47 billion
 Cost per year: 0.20 %
 Risk class: 1-2-~~3~~-4-5

Return (over last months)

3 months 6 months 12 months
 +4.09% +9.11% -8.08%

Top 3 regions of the companies

Region	%
USA	66.7
Europe (Euro countries)	9.3
Japan	6.2

Risk class: Measures how much the fund's returns fluctuate compared to similar investments. Higher risk class means higher fluctuations.

Data sources: Morningstar, Fund Manager

Factsheet 1B:

Performance of CHF 100



Fund A

Description

The fund invests passively in a broadly diversified set of companies worldwide.

Fund information

Fund Category: Global Shares
 Fund Volume: CHF 47 billion
 Cost per year: 0.20 %
 Risk class: 1-2-~~3~~-4-5

Return (over last months)

3 months 6 months 12 months
 +4.09% +9.11% -8.08%

Top 3 regions of the companies

Region	%
USA	66.7
Europe (Euro countries)	9.3
Japan	6.2

Fund B

Description

The fund invests passively in a broadly diversified set of companies worldwide.

Fund information

Fund Category: Global Shares
 Fund Volume: 0.1 billion CHF
 Cost per year: 0.20 %
 Risk class: 1-2-~~3~~-4-5

Return (over last months)

3 months 6 months 12 months
 +4.91% +8.31% -10.44%

Top 3 regions of the companies

Region	%
USA	66.4
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Risk class: Measures how much the fund's returns fluctuate compared to similar investments. Higher risk class means higher fluctuations.

Data sources: Morningstar, Fund Manager

Factsheet 2A:

Performance of CHF 100



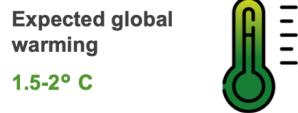
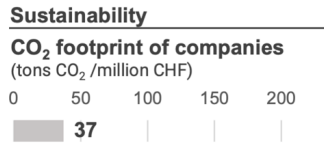
Fund A
iShares MSCI World Paris-Aligned Climate ETF

Description
The fund invests passively in a broadly diversified set of companies worldwide that share the Paris climate goals.

Fund information
Fund Category: Global Equity
Fund Volume: CHF 0.1 billion
Cost per year: 0.20 %
Risk class: 1-2-~~3~~-4-5

Return (over last months)
3 months 6 months 12 months
+4.91% +8.31% -10.44%

Top 3 regions of the companies %
USA 66.4
Europe (Euro countries) 9.5
Europe (excl. Euro countries) 7.3



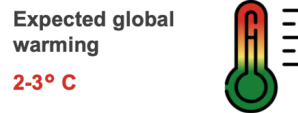
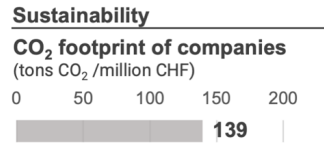
Fund B
iShares MSCI World ETF

Description
The fund invests passively in a broadly diversified set of companies worldwide.

Fund information
Fund Category: Global Equity
Fund Volume: CHF 47 billion
Cost per year: 0.20 %
Risk class: 1-2-~~3~~-4-5

Return (over last months)
3 months 6 months 12 months
+4.09% +9.11% -8.08%

Top 3 regions of the companies %
USA 66.7
Europe (Euro countries) 9.3
Japan 6.2



Risk class: Measures how much the fund's returns fluctuate compared to similar investments. Higher risk class means higher fluctuations.

CO₂ footprint: Measures the greenhouse gas emissions of the companies in the fund relative to their sales. High values indicate high CO₂ emissions.

Expected global warming: Measures the alignment of the companies in the fund with the Paris Agreement. This envisages limiting global warming to 2°C. Values above 2°C indicate that companies do not support this target.

Data sources: Morningstar, Fund Manager

Factsheet 2B:

Performance of CHF 100



Fund A 
iShares MSCI World ETF

Description

The fund invests passively in a broadly diversified set of companies worldwide.

Fund information

Fund Category: Global Equity
Fund Volume: CHF 47 billion
Cost per year: 0.20 %
Risk class: 1-2-**3**-4-5

Return (over last months)

3 months 6 months 12 months
+4.09% +9.11% -8.08%

Top 3 regions of the companies %

USA 66.7
Europe (Euro countries) 9.3
Japan 6.2

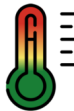
Sustainability

CO₂ footprint of companies

(tons CO₂ /million CHF)
0 50 100 150 200
 139

Expected global warming

2-3° C



Fund B 
iShares MSCI World Paris-Aligned Climate ETF

Description

The fund invests passively in a broadly diversified set of companies worldwide that share the Paris climate goals.

Fund information

Fund Category: Global Equity
Fund Volume: CHF 0.1 billion
Cost per year: 0.20 %
Risk class: 1-2-**3**-4-5

Return (over last months)


3 months 6 months 12 months
+4.91% +8.31% -10.44%

Top 3 regions of the companies %

USA 66.4
Europe (Euro countries) 9.5
Europe (excl. Euro countries) 7.3

Sustainability

CO₂ footprint of companies

(tons CO₂ /million CHF)
0 50 100 150 200
 37

Expected global warming

1.5-2° C



Risk class: Measures how much the fund's returns fluctuate compared to similar investments. Higher risk class means higher fluctuations.

CO₂ footprint: Measures the greenhouse gas emissions of the companies in the fund, relative to their sales. High values indicate high CO₂ emissions.

Expected global warming: Measures the alignment of the companies in the fund with the Paris Agreement. This envisages limiting global warming to 2°C. Values above 2°C indicate that companies do not support this target.

Data sources: Morningstar, Fund Manager