

WHO LEARNS WELL FROM BOOSTING?

—HETEROGENEOUS TREATMENT EFFECTS ON THE DISPOSITION EFFECT—

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《SUMMARY》

I experimentally examine the heterogeneous treatment effects of investor education on the disposition effect, explicitly focusing on investors' attributes. Using a randomized controlled trial (RCT) under a simulated experimental market environment, I implement the education that teaches (i.e., boosting) investors the practical importance of cutting losses to examine whether educated participants have a mitigated disposition effect. First, such boosting mitigates the disposition effect effectively when investors have high cognitive ability. Second, the effectiveness of the educational treatment depends on the amount of investment experience. Specifically, boosting mitigates the disposition effect for those with zero or more than three years of investment experience, while boosting increases those with one or two years of experience. Furthermore, participants with more than three years of experience significantly reduce their disposition effect by boosting than those with no experience. These results suggest the necessity of considering investors' heterogeneity to design effective investor education.

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