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# IS SUSTAINABLE FINANCE A DANGEROUS PLACEBO?

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## Experiment

We test how the opportunity to invest in a climate-conscious fund affects individuals' support for a real climate referendum (N=2,051) – the Climate and Innovation Act vote in Switzerland on June, 18 2023.

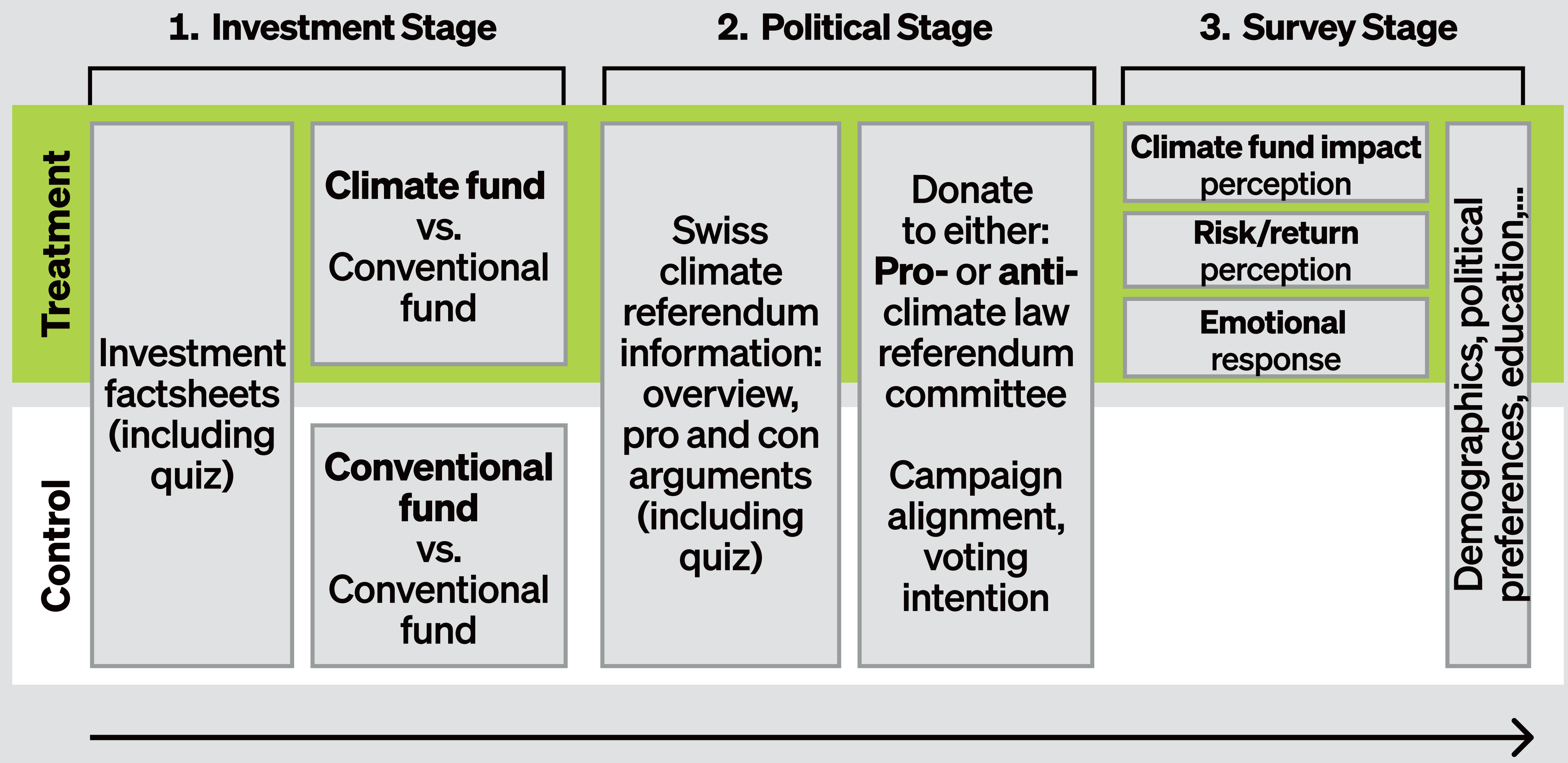
## Treatment

In the treatment group, we reveal climate-related fund information.

## Main finding

The opportunity to invest in a climate-conscious fund does not erode individuals' support for climate regulation.

## Methodology

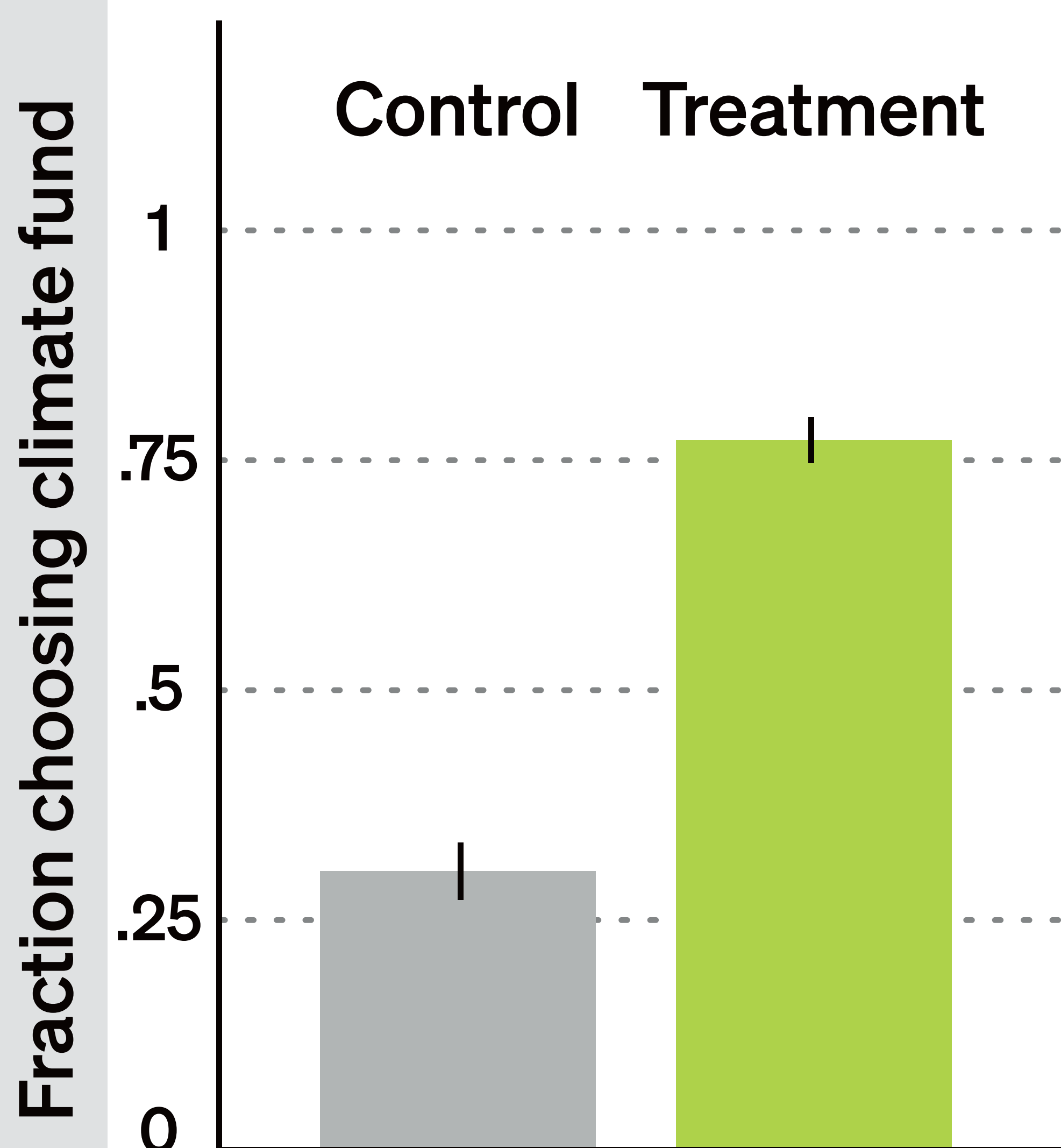


## Investment Decision

Respondents are 2.5 times more likely to choose the climate fund when it is explicitly labeled.

Funds' sustainability characteristics strongly affect investment allocations.

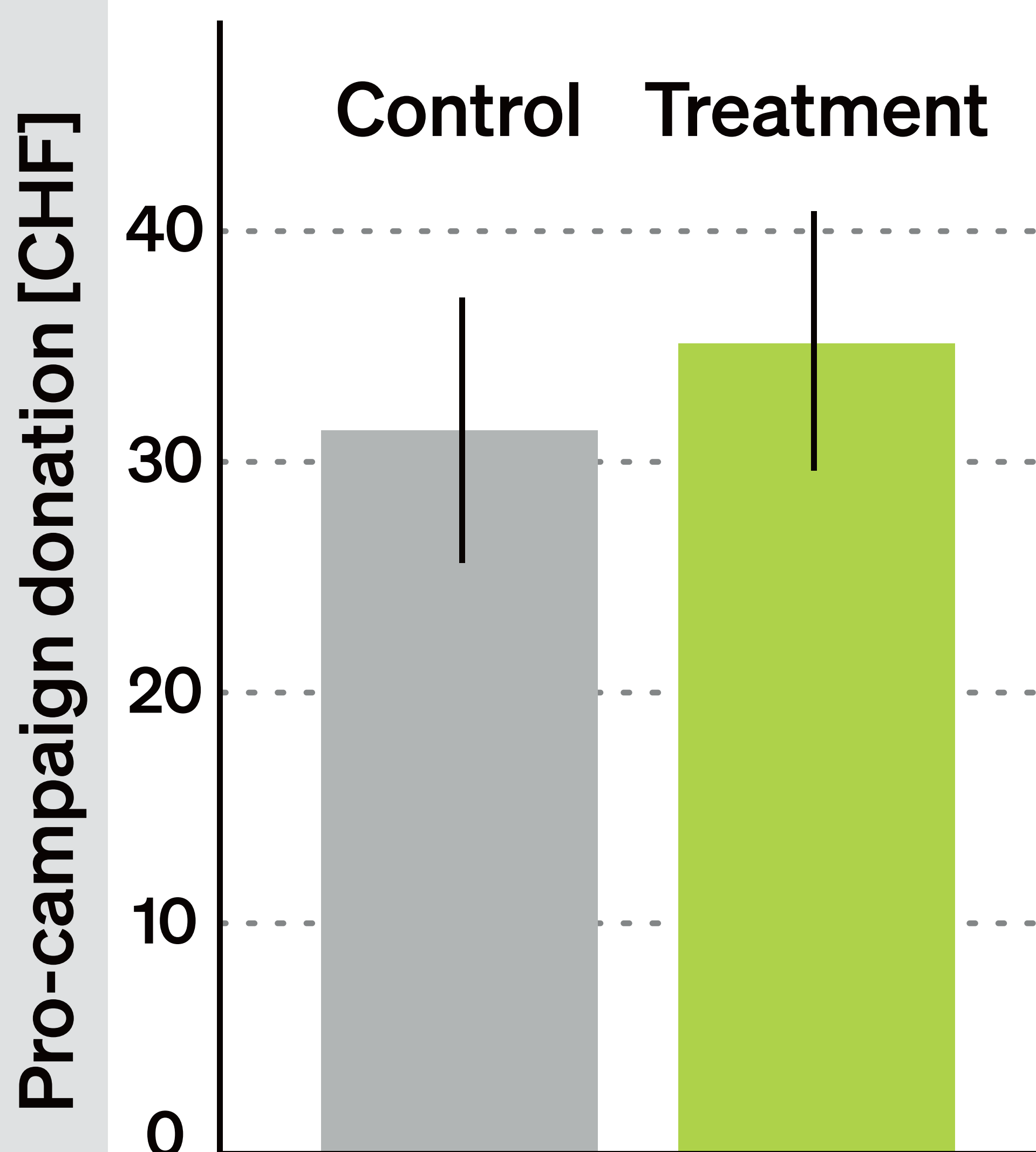
Treatment is effective.



## Political Engagement

Participants who see fund climate information (treatment group) donate slightly more to the pro-climate-law campaign (not significant).

Sustainable investing is not a "dangerous" placebo that crowds out political engagement.



## Impact Perception and Emotions

Treated respondents perceive investment in the climate fund to have a positive climate protection impact.

They also experience strongly positive emotions in connection with their investment in the climate fund.

To test the "rational substitution" and "moral licensing" channels between investing and regulation, these facts are crucial prerequisites.

