

Business Distinguished Scholar Seminar Series 2024

NUDGES ON ENVIRONMENTAL ENGAGEMENT: EVIDENCE FROM CROWDFUNDING

We study a platform policy of offering entrepreneurs an option to disclose environmental engagement (E-commitment) using Kickstarter as a laboratory. After the policy rollout, 32.5% of entrepreneurs took up the disclosure option and their projects tend to attract out-of-state backers. Using the rollout as an instrumental variable for E-commitment, we find that the disclosure leads to 13.2% higher likelihood of funding success and 8.7% higher funding amount. We also observe a significant increase in the number of environmental conscious backers, new backers, and environmental related comments. Finally, we find little change in the likelihood of product delivery, but the funding costs rise by 9.5% and the time from funding completion to product delivery stretches longer by 51%. Collectively, the evidence suggests: (1) Kickstarter's nudge for environmental engagement enhances creators' ability to attract environmental conscious, new backers; and (2) the environmental conscious backers' funding decision is likely driven by non-financial, taste-based environmental motive.

 **3 June 2024 (Monday)**

 **2:30-4:00pm**

 **SEK210, 2/F, Simon & Eleanor Kwok Building**

 **English**

SPEAKER

PROF. XIUMIN MARTIN
PROFESSOR OF ACCOUNTING,
OLIN BUSINESS SCHOOL OF
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Prof. Xiumin Martin is a Professor of Accounting in Olin Business School at Washington University in Saint Louis. She serves as an editor at *The Accounting Review* and associate editor at *Management Science*. Prof. Martin's research focuses on the role of financial information in the capital market - promoting debt contracting efficiency and improving the efficiency of asset allocation. She has published numerous papers in top-tier accounting and finance journals, including *The Accounting Review*, *Journal of Accounting Research*, *Journal of Accounting and Economics*, *Journal of Finance*, *Journal of Financial Economics*, and *Management Science*.

