

Thomas Oberlechner: *Investment Skill Confidence and the Financial Crisis: Contributions from Social and Economic Psychology*

Using the recent global financial crisis as backdrop, this presentation of empirical findings explores the subjective world of money and investment from the perspectives of social and economic psychology. Behavioral economists have begun to acknowledge the importance of overconfidence, i.e., a widespread psychological tendency to overestimate one's own abilities and skills, for collective dynamics in financial markets. Insights into the role of self-esteem shed light on the underlying conditions leading to overconfidence. Conducted during the financial crisis, two studies explore the impact of "cold" and "hot" decision making settings (i.e., participants in a representative survey vs. soccer spectators) on people's confidence in their own investment skills. Results show that the financial crisis has led to a defense of self-esteem and to an increase in self-serving tendencies, and that the psychological threat represented by the financial crisis has been stronger for the male than to female psyche.

Thomas Oberlechner is Professor of Psychology at Webster University in Vienna. He has been a visiting scholar at Harvard and MIT, his research on decision making and psychological processes in financial markets has appeared in various academic and professional journals in psychology and finance. He is author of the books *The Psychology of the Foreign Exchange Market* (Wiley 2004) and *The Psychology of Ethics in the Finance and Investment Industry* (Research Foundation of CFA Institute 2007), and he has recently co-edited (together with Robert Gephart and John van Maanen) the 'Organizations and Risk in Late Modernity' special issue of *Organization Studies* (2009). He is a clinical psychologist and psychotherapist trained in Austria and the US. Thomas Oberlechner holds Master's and Doctoral degrees in Psychology and in Law from University of Vienna and Harvard University.

