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Abstract

A fundamental concern about green investing is that it may crowd out political support for public policy addressing negative externalities. We examine this concern in a preregistered 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-friendly fund does not reduce individuals' support for climate regulation, measured as political donations and voting intentions. The results hold for participants who actively choose green investing. We conclude that the effect of green investing on political behavior is limited.

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1 Introduction

Given the growing attention to green investing as a potential tool to help address negative externalities, understanding its benefits for society is essential.

The literature has, so far, primarily focused on the direct effects of investors' divestment on firms' cost of capital ("Exit") (e.g., Bolton et al., 2020; Berk and van Binsbergen, 2021; Edmans et al., 2022) and of shareholder engagement on corporate policies ("Voice") (e.g., Broccardo et al., 2022). In this paper, we take a political economy view and study the effects of green investing on political support for climate regulation. This perspective is crucial from a welfare perspective: In the absence of an adequate global carbon price, green investing is expected to bring us (a bit) closer to the first-best solution (e.g., Pedersen, 2023). However, if the availability of green investment products undermines political support for effective climate policy, green investing—even assuming it has some positive effects—could be counterproductive.

Green investing may crowd out climate policy support because the personal satisfaction of green investing may diminish the collective urgency of political engagement for climate policy. For instance, Chater and Loewenstein (2022) prominently raise the concern that an increased emphasis on individual-behavior solutions to societal challenges may lower political support for more systemic changes. Werfel (2017) and Hagmann et al. (2019) provide support for this "crowding-out" view in the context of energy consumption choices. This raises the question of whether similar concerns about crowding-out also apply to green investing.

This paper leverages a public referendum on a climate law in Switzerland held on June 18, 2023, to provide experimental evidence.[1] We conducted a preregistered experiment with a representative sample of 2,051 Swiss citizens one month before the vote to investigate how the option to invest in a climate-friendly fund affects participants' support for the climate law. We ran a follow-up survey with the same sample one year later. 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 referendums. We measure political support for (against) climate regulation in terms of donations to the campaigns promoting (opposing) the climate law.

We proceed in three stages. In the "Investment Stage", we administer the treatment. The treatment is the option to invest in a climate-friendly fund. We ask participants to allocate 1,000 CHF (1,100 USD) to one of two real investment funds. For the control group, we provide participants only with standard financial information about the two funds. For the treatment group, we reveal that one of the two funds is climate-friendly (henceforth, the "climate fund") and provide information about the climate-related performance of the two funds. We make this decision consequential by randomly choosing 10 participants, investing 1,000 CHF in their selected fund, and paying out the value of the investment after one year.

[1]The 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, for example, 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% of the votes in favor and a 42% turnout; see for example, SWI SwissInfo.ch, "Swiss approve net-zero climate law," June 18, 2023.

In the "Political Stage", we measure our outcome variables. We provide participants with a summary of the arguments of the pro- and anti-climate-law campaigns and then offer them the opportunity to donate part of their payout to either of the two campaigns. Our primary dependent variable is the net donation in support of the climate law, with donations to the campaign against the climate law scaled negatively. In addition, we elicit participants' stated alignment with the two campaigns and their voting intentions regarding the climate law.

In the "Survey Stage," we assess participants' perceptions of the climate impact of the funds, their emotional response to the investment decision, and their financial expectations regarding the investment options. We also collect political preferences and demographic characteristics.

Our treatment is highly salient: 76.9% of respondents in the treatment group choose the climate fund. In the control group, where respondents see only the financial information, only 30.2% choose the equivalent fund.

In our main test, we find that our "green investing" treatment does not erode political support for climate regulation. In fact, the average net donation to the pro-campaign in the treatment group is greater in the control group (35.1 CHF vs. 31.2 CHF), although this difference is not statistically significant. We also observe a non-significant positive effect on the intention to vote for the climate law and a marginally significant positive effect on respondents' stated alignment with the pro-campaign. Analyzing sub-groups, we confirm

the same weak positive effect for green investors who actively choose the climate-friendly fund, swing voters in the middle of the political spectrum, and participants who believe the outcome of the referendum will be close to 50%. Given that climate policy support is consistently higher in the treatment group, the results speak clearly against the hypothesis that green investing crowds out climate policy support.

We corroborate the main finding on political support in several robustness checks. First, we show that the experiment created the theoretical preconditions for a crowding-out effect: Respondents perceive investing in the climate fund as having a meaningful impact on the climate, being financially costly, and emotionally rewarding. Second, we show that our experimental results are similar to observational data from the field, using opinion polls, voting outcomes, and real donations. Third, we show that experimenter demand, i.e., participants' desire to please the experimenters, is unlikely to drive our results.

Our paper contributes to three streams of research. First, it contributes to the emerging literature on the political economy of green investing.[2] Hong and Kostovetsky (2012) first documented a strong relationship between political orientation and green investing. Recent theoretical studies explore the interactions between green investments and government regulation aimed at externalities (e.g., Biais and Landier, 2022; Pedersen, 2023; Döttling et al.,

[2]How public regulation and private socially responsible actions interact is a fundamental question in the literature on corporate social responsibility (CSR). According to Friedman (1970), CSR is an inefficient approach to addressing negative externalities, a point more recently made also in Bebchuk and Tallarita (2020). Maxwell et al. (2000) view CSR as a strategic self-regulation of firms to preempt more stringent political action. Others see CSR as an endogenous welfare-improving strategy to overcome political failures (Besley and Ghatak, 2007; Bénabou and Tirole, 2010; Egorov and Harstad, 2017; Hart and Zingales, 2017).

2024). Specifically, Allen et al. (2023) argue that the availability of sustainability-linked bonds can reduce political support for Pigouvian taxes. In contrast, Carlson et al. (2024) argue that investors' divestments from brown assets can increase climate policy support. As hinted earlier, this links to the broader public policy debate on whether individual-level solutions crowd out system-level solutions (for instance, in the context of nudging, see Sunstein, 2023 and Chater and Loewenstein, 2023). Our paper contributes to this mostly theoretical debate by offering experimental evidence for green investing in the context of a real political decision.[3]

Second, the paper contributes to the literature on pro-social investor behavior. Several contributions document that a substantial share of investors has an appetite for socially responsible investment products (e.g., Anderson and Robinson, 2022; Barber et al., 2021; Bauer et al., 2021; Bollen, 2007; Ceccarelli et al., 2024; Geczy et al., 2021; Hartzmark and Sussman, 2019), often driven by pro-social preferences (e.g., Hong and Kostovetsky, 2012; Riedl and Smeets, 2017). Recently, some contributions have started to address 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). The

[3]While we are the first to study the effect of green investing on climate policy support, a few contributions analyze the relationship between green investing and charitable donations. Graff Zivin and Small (2005) develop a theoretical model that sees 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 relationship between responsible investments and charitable donations, while An et al. (2023) provides evidence consistent with a substitution effect.

literature thus far has focused on the consequences of pro-social preferences for financial decision-making. Our paper extends this literature by considering the spillover effects of green investing from the financial to the political domain.

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 citizen support for different climate policy tools depends on effectiveness, inequality, and self-interest considerations. Andre et al. (2024a) and Andre et al. (2024b) highlight the powerful role of social norms. In a theoretical contribution, Besley and Persson (2023) study the effect of interactions between political and market failures on the energy transition. Financial asset holdings can potentially strongly impact political choices, as Jha and Shayo (2019) show in the context of attitudes toward conflicts. Our paper represents the first to investigate the effect of investment products "privately" addressing climate change on political support for public policy addressing climate change.

2 Experimental Design

Prior studies document a positive correlation between green investing and political behavior (e.g., Hong and Kostovetsky, 2012; Riedl and Smeets, 2017; Giglio et al., 2023). However, this correlation does not exclude the possibility that green investing may crowd out individual climate policy support, as both behaviors are endogenously determined by similar

preferences. In other words, it may be that green investors' support for climate policy would be even higher in the absence of green investing. Hence, we run an experiment designed to randomize the availability of green investing in the context of a specific incentivized investment decision, allowing us to compare political behavior across groups. The experiment is preregistered and framed in the context of a real political decision to ensure a high level of external validity.[4]

2.1 Political context

The Swiss political context is crucial for our experimental strategy. In most countries, political votes only indirectly relate to climate policy. The Swiss electorate, however, regularly expresses their preferences on specific matters, including climate policy, through single-issue public referendums. These referendums tend not to overlap with general elections, and they are also relatively frequent, with a total of 14 at the national level since 2020.[5] This provides a setting in which we can study individual political decisions about climate policy.

In 2017, Switzerland joined the Paris Agreement, a global commitment to reducing greenhouse gas emissions. In June 2021, the revision and continuation of an existing climate law—intended to implement Switzerland's commitments under the Paris Agreement—failed

[4]The preregistration for the main survey is available at `https://aspredicted.org/blind.php?x=VW5_B33`, and for the follow-up at `https://aspredicted.org/L8V_HJC`

[5]For 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 referendums exist. For instance, in a 2010 referendum, 62% of California's citizens voted in favor of the state's main climate change legislation (Global Warming Solutions Act), which had been passed in 2006. The State of Washington held carbon tax referendums in 2016 and 2018, known as Initiative 732 and Initiative 1631.

in a popular referendum.[6] A renewed attempt to translate commitments under the Paris Agreement into Swiss law was 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 law[7] contains several measures with the overall goal of ensuring that the impact of human-caused 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 fuel-based heating systems with heating systems based on renewable energy sources.

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

The committee favoring the law put forward three main arguments. First, addressing climate change now can prevent worsening damage and rising costs in the future. Second,

[6]See, for example, SWI SwissInfo.ch, "Swiss CO2 law defeated at the ballot box," June 13, 2021.

[7]The original document in German is available at `https://www.admin.ch/gov/de/start/dokumentation/abstimmungen/20230618/klimagesetz.html`.

Switzerland's climate targets will reduce dependence on foreign oil and gas. Third, the law will create economic opportunities and a boost for the export industry. The committee opposing the law also made three main arguments. First, the law will be costly, leading to higher prices for electricity and housing. Second, the phase-out plan is unrealistic and extreme. Third, it will jeopardize energy security. We provide these these arguments to participants in the experiment.

– Figure 1 –

Several indicators suggested that the referendum's outcome would be decided by a narrow margin. First, the prior attempt at passing a climate law in 2021 failed narrowly with 48.41% support, despite polls predicting its passage. 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 to 63% in early June 2023 (GFS.Bern, 2023a,b). Third, poll respondents themselves expected the law to pass with only 52% of votes on average. In other words, anyone who cared about the outcome of the referendum had a strong motive to vote.

Eventually, 59.1% of Swiss voters approved the climate law, with a 42% turnout. Our experiment took place over a window of two weeks, ending one month before the vote. This was the time when campaigns were highly active; citizens were forming their views but could not vote yet.

2.2 Procedures

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

2.2.1 Investment Stage

We administer the treatment in the Investment Stage. We offer participants a choice set of Fund A and Fund B and ask them to allocate 1,000 CHF (1,100 USD) to one of the two funds. The choice sets are identical, except that in the treatment group, participants receive additional climate-related information about the two funds, revealing that one of the funds is a climate-friendly fund (the "climate fund") aligned with the Paris Agreement's goal of limiting global warming to below 1.5 degrees Celsius. The choice sets are shown in Figure A1 and A2 in the Appendix.

We use two real investment funds to source the information displayed: the iShares MSCI World ETF and its climate-friendly version, the iShares MSCI World Paris-Aligned Climate ETF. We randomize the funds' positioning on the screen and the color in which the price chart is presented to avoid ordering effects.

For both 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 returns. This resembles the information commonly reported in fund

descriptions. While the financial characteristics of the funds are very similar, the climate fund's past performance is inferior (-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.

In the treatment group, we reveal the fund names and provide respondents with additional information on each fund's climate-related performance. We take the climate-related information of the funds as disclosed by MSCI based on its carbon footprint and "Implied Temperature Rise" methodology. The performance of the climate fund is superior to that of the conventional fund among the two dimensions we disclose: the average carbon intensity of the companies in the portfolio (37 vs. 139 tons of CO_2 per million CHF in sales) and the Implied Temperature Rise of the portfolio (1.5–2 vs. 2–3 degrees Celsius).

We make the investment decision consequential by informing participants that we will implement the decisions of ten randomly selected participants, invest 1,000 CHF in their chosen fund, and pay out the value of the investment after one year. Thus, to the extent that participants believe investing in a climate fund has consequences, these consequences may be realized.

2.2.2 Political Stage

In the Political Stage, participants can engage politically by making a donation for or against the upcoming climate law. First, we introduce the legislative proposal based on the official

description provided to voters by the Swiss government. Then, we outline the main arguments of the pro- and anti-campaigns using language provided by the websites of the two campaigns. We randomize whether participants see the arguments of the pro- or the anti-campaign first. We ask the respondents which campaign aligns more with their political opinion and give them the opportunity to donate up to 250 CHF (275 USD) to the preferred campaign. This range covers the amounts most commonly donated. The campaign homepages themselves suggest donations of 10, 50, and 100 CHF.

The donation decision is also consequential. For the ten randomly selected participants, we implement the chosen donation immediately and deduct the amount donated from their future payout. Participants are informed that the donation is real and will be deducted. Because 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, with donations to the pro-campaign scaled positively and donations to the anti-campaign 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*; responses given 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? 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 responses to the investment decision and their financial expectations regarding the investment options. We also collect data on demographics and political preferences. The detailed questions appear in Table A1.

2.2.4 Follow-Up Survey

In our main experimental survey, we do not observe which respondents in the control group would have chosen the climate fund if it had been identified as such. To assess potential treatment effects on the subgroup of "green investors", i.e., respondents who prefer the climate fund, we ran a pre-registered follow-up survey in August 2024, asking the same sample of respondents to the initial survey to hypothetically allocate 1,000 CHF between the climate fund and the conventional fund—providing updated fund characteristics and disclosing the funds's climate-related performance to participants in both the treatment and

control group. 85% of investors who chose the climate fund in the initial survey did so in the follow-up as well. We also asked respondents in the follow-up survey about their voting behavior in the climate law referendum retrospectively.

2.3 Sample

For the main survey, we recruited a representative sample of the Swiss electorate with the support of an independent Swiss survey agency (Intervista). Data collection took place between May 5 and May 18, 2023, in the middle of the campaigning phase, and closed 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.[8] Table 1 shows the sample's demographic characteristics. The control and treatment groups are well-balanced in terms of demographics and political preferences. The follow-up survey took place between July 17th and August 9th, 2024; 1,403 (68.4%) of the initial respondents participated, and respondents were well-balanced across the treatment and the control groups (see Table A2).

– Table 1 –

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

3 Results

3.1 Demand for green investments

Figure 2 shows the fraction of respondents who invested in the climate fund in the treatment and the control groups. The climate-related information treatment strongly shifted investor demand from the conventional to the climate fund. In the treatment group, 76.9% of the respondents opted for the climate fund, compared to only 30.2% 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 a fund's sustainability characteristics strongly affects investment allocations. This strong change in investment behavior confirms the salience of our treatment.

3.2 Treatment effect on climate policy support

Figure 3 and Table 2 show the main result for the causal effect of green investing on climate policy support. We find that the opportunity to invest in a climate-friendly fund did not crowd out participant support for climate regulation. Our main outcome variable is the net donation to the pro-climate-regulation campaign (*Net pro-campaign donation*). 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). Although treatment participants donated

more, the positive difference is not statistically significant (Mann–Whitney U test, $p = 0.285$). Regarding the decision to donate, 34.1% of participants in the treatment group donated to the pro-campaign, compared to 33.1% in the control group. This difference is not statistically significant (Mann–Whitney U test, $p = 0.639$). For the anti-campaign, 9.4% of participants in the treatment group donated, versus 11.9% in the control group. This difference is significant at the 10% level (Mann–Whitney U test, $p = 0.062$).

As noted in the preregistration, we use a net measure of donations, scaling pro-regulation campaign donations as positive and anti-regulation campaign donations as negative. Separate results for pro-regulation campaign donations and anti-regulation campaign donations appear in Figure A4 and Figure A5, leading to the same conclusions. Detailed distributions of the outcome variables in the treatment and control group can be found in Figure A3.

We obtain similar inferences when employing two alternative measures of climate policy support (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, $p = 0.079$). Turning to participant 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, $p = 0.142$).[9]

– Figure 3 –

[9]Participants' voting intentions stated in the main survey are consistent with the voting behavior they report in the follow-up survey. Of the participants who have stated an intention to vote for the law, 94% report that they voted accordingly in the follow-up survey.

– Table 2 –

Table A3 in the Appendix reports the results of OLS regressions of our climate policy support measures on the treatment indicator. Here, we also control for political preferences and 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, we do not find evidence supporting the argument that green investing crowds out political support for climate regulation.

3.3 Treatment effect in subgroups

Our design focuses on the aggregate effect of the option to invest in a climate fund on political outcomes. While we do not find evidence that green investing crowds out climate policy support at an aggregate level, there could still be crowding-out effects among potentially important subgroups. We test for this possibility in Table 3, splitting the sample according to three relevant dimensions: preferences for green investments, political leanings, and expectations regarding the referendum outcome.

– Table 3 –

First, we explore the treatment effect among green investors, i.e., the participants who chose the climate fund. Specifically, we compare participants who chose the climate fund

in the follow-up survey across treatment and control. Like in the overall sample, green investors' climate policy support is slightly (not significantly higher) in the treatment than in the control group. The results also show that green investors, across both treatment and control groups, are much more supportive of climate policy than participants who did not choose the climate fund (Mann–Whitney U test, $p < 0.001$).

Second, we test for a differential treatment effect among swing voters. A potential concern is that although green investing does not crowd out climate policy support for the average voter, it may do so for swing voters with less polarized views on climate policy. This subgroup effect could be decisive for political outcomes. We elicit political leanings using a 7-point Likert scale and combine the lower three options to generate the dummy variable *Politics: left* and the upper three options for *Politics: right*. The middle option represents swing voters. Table 3 shows no significant difference in net pro-campaign donations between the treatment and control groups for any political subgroups (*Politics: left*, *Politics: right*, and *Politics: center*).[10] As expected, we also find that support for the climate law is higher for respondents leaning to the left and lower for respondents leaning to the right.

Third, we investigate the heterogeneity in the treatment effect based on the expected political outcome. Respondents who are certain that the climate referendum will be accepted or declined may be less likely to engage politically. Vice versa, respondents who think the outcome is uncertain may be more likely to engage (Bursztyn et al., 2024), and crowding-out

[10]This finding also holds if we apply a broader definition of *Politics: middle*, including the three middle options on the 7-point Likert scale.

in this group would be especially problematic.We elicit respondent expectations of the referendum's outcome using a 7-point Likert scale capturing the range from certain acceptance to certain rejection. We classify the middle three options as *Uncertain* and the remaining options as *Certain*. As Table 3 shows, we find a positive (not statistically significant) treatment effect on net-pro-campaign donations for both certain and uncertain respondents.

Overall, these analyses fail to identify evidence of significant heterogeneity in the treatment effect masking a crowding-out effect for specific groups of voters.

4 Robustness

We corroborate our main finding via several robustness checks. First, we show that theoretical prerequisites for a potential crowding-out effect are present in our experiment. Second, we show that the investment behavior and political donations observed in our experiment broadly align with the behavior observed in the field. Third, we address the concern that our results may be affected by experimenter demand effects.

4.1 Preconditions for a potential crowding-out

An important question is whether our experiment created the preconditions for crowding-out to occur. In Table 4, we show that investors perceive green investing as effective, costly, and emotionally rewarding.

– Table 4 –

First, we find that respondents perceive the climate fund as effective. Respondents in the treatment group, and especially those who opted for the climate fund, agree that investing in the climate fund makes a meaningful contribution to climate protection. This creates the precondition for investors to substitute efforts to promote climate policy with green investments.

Second, respondents perceived investing in the climate fund as economically costly. As Table 4 shows, on average, respondents in the treatment group expect the climate fund to have slightly higher risk and lower return than the conventional fund. Investors who chose the climate fund are more optimistic about its financial performance. They expect the same level of risk but still a lower return for the climate fund compared to the conventional fund. This creates the precondition that there is a trade-off between choosing the costly climate fund and costly political engagement.

Third, respondents perceived investing in the climate fund as emotionally rewarding. On average, respondents in the treatment group reported significantly more positive emotions associated with investing in the climate than the conventional fund. This indicates that green investors experience warm glow when investing in the climate fund. This creates the precondition that the emotional benefits of green investing could substitute for the emotional benefits of political engagement.

Overall, the results indicate that treated respondents perceived the green investment option as effective for climate protection, economically costly, and emotionally rewarding.

4.2 Comparison with field data

As suggested in Haaland et al. (2023) and Stantcheva (2023), we compare our survey outcomes to observational data from the field. We present data on voting outcomes and political donations that are broadly consistent with the behavior observed in our experiment.

First, our measures of climate policy support align well with the voting outcome and opinion polls, as evident from Figure A6. In the experiment, 73% of respondents who indicated a preference stated that they intend to vote for the climate law. Opinion polls surveying voting intentions measured 74% in favor of the climate law shortly before our data collection period and 64% afterward. In the actual vote on June 18, 2023, about four weeks later, 59.1% of Swiss citizens voted yes for the climate law. Our estimates are thus higher than the actual voting outcome but very close to contemporary polling results.

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 $N = 9682$ individual donations to the pro-campaign from March 17 to June 18, 2023, the full period of the donation collection done by the pro-campaign.[11]. The comparison of the cumulative distributions between real and experimental donations is shown in Figure A7. The distributions are very similar in their support. Most donations in the experiment and real life are multiples of 50 CHF, visible in the large steps at these values.

[11]We 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.

Only 4% of real donations are larger than CHF 250, indicating that the upper limit in the experiment did not substantially censor participants' willingness to donate. Regarding the distribution, the figure reveals that donations below 100 CHF are more frequent among real donations, while donations of CHF 200 and CHF 250 are more frequent in the experiment. The median real donation is CHF 50, whereas the median experimental donation is CHF 100. This may indicate that the experimental setting has increased the willingness to donate relative to the real world, for example, by anchoring the donation to a maximum of CHF 250. However, given that participants could donate both for and against the law, we do not view this as a major concern for the validity of our results. In addition, we see consistent results for two alternative, dependent variables that are non-pecuniary, making it unlikely that donation amounts specifically were influenced by the experimental setting in a problematic fashion.

4.3 Controlling for experimenter demand

Our results might be subject to the common concern in social science experiments of influence from an "experimenter demand" effect. Several elements mitigate this concern in our setting. First, De Quidt et al. (2018) indicates limited quantitative importance of experimenter demand effects in anonymous online panels like ours. Second, demand effects are known to be lower when real money is at stake (Haaland et al., 2023; Stantcheva, 2023). Our experiments have two types of incentivized outcomes: the investment decision and the donation to a real

political campaign. Thus, the consequential nature of our outcome variable likely acts as a counterweight to any potential willingness of respondents to please experimenters.

In addition, we explicitly test for experimenter demand effects. Following Allcott and Taubinsky (2015), we elicited a self-monitoring scale proposed by Snyder (1974) as a measure of participants' willingness to behave as others expect of them. If experimenter demand is present, we would expect the treatment to have a stronger effect on participants who are willing to adhere to experimenters' expectations. Appendix Table A4 shows that there are no significant interactions between treatment and self-monitoring for any of the outcome variables. Also, none of the individual items shows a significant interaction with pro-campaign donations (Table A5). Based on this, we conclude that experimenter demand is unlikely to have an important effect on our results.

5 Discussion

Our goal was to test the possibility that green investing may crowd out climate policy support. Our empirical evidence fails to support this crowding-out argument. If anything, we find a small—not statistically significant yet consistent—positive effect, raising the question: What mechanisms may drive a crowding-in effect?

First, offering a climate-friendly fund may make climate change more salient. In our experiment, the chances of a potential differential priming effect are small, as participants in the treatment and control groups are equally exposed to the political debate about the

law outside of the experiment. The climate law was the focus of intense campaigning and extensive debate. For instance, according to Dow Jones Factiva data, in May 2023, around 1,400 articles published in Swiss newspapers covered the topic of climate change, twice the monthly average of around 700 articles over the previous 12 months. However, the mere existence of a green investment product may increase investors' awareness of the economic relevance of climate change, influencing the perceived urgency of climate policy.

Second, green investing may increase an individual's exposure to assets that stand to gain from the energy transition, boosting her support for climate regulation. This "skin in the game" effect is unlikely to play a major role in our experiment, as we opted for a global (instead of a Swiss) portfolio to make it less potentially affected by Swiss legislation. In addition, the economic consequences of the law on participants (as consumers and taxpayers) are far greater than the potential gains from the relatively small investment in our experiment.

Finally, from a behavioral perspective, the literature also offers models of moral consistency (rather than moral licensing) as a self-signalling tool for reinforcing individual identity (e.g., Akerlof and Kranton, 2000; Bodner and Prelec, 2003; Bénabou and Tirole, 2011). Our results would be consistent with a weak self-signaling effect, whereby green investing reinforces participants' willingness to support climate regulation. However, given that we do not find a significant crowding-in effect, we conclude that the effects of green investing on political behavior are limited.

6 Conclusion

It is a potential concern that green investing might crowd out support for policy-driven solutions to societal challenges, making it counterproductive from a welfare perspective. At the same time, green investing may also be a valuable complement that does not reduce—and potentially even increases—individual support for environmental public policies.

In this paper, we explore which of these competing views of green investing better describes individual behavior using a preregistered experiment exploiting a real-world climate policy referendum in Switzerland. We find that the opportunity to invest in a climate-friendly fund does not crowd out individual climate policy support. This holds also for explicitly costly efforts to advance formal climate policy, such as campaign donations.

Our results have important practical implications. One of the most fundamental criticisms against green investing is that it not only has little direct environmental impact but also distracts societies from adopting harder-to-implement political solutions to societal problems. Our experiment suggests that this narrative fails to describe actual individual behavior. Of course, the likelihood of advancing climate regulation also depends on how sustainable finance is perceived by policymakers and regulators, whether as a call for action or an outsourcing of their responsibilities. Our findings indicate that, on average, voters do not use green investing as a substitute for political action. As a result, even small positive impacts from green investing may be worth pursuing.

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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. Only participants in the treatment group received climate-related information about the two funds. The bars indicate 95% confidence intervals.

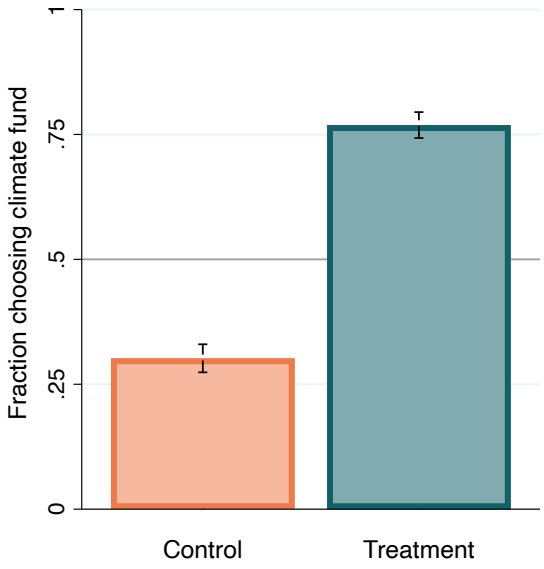
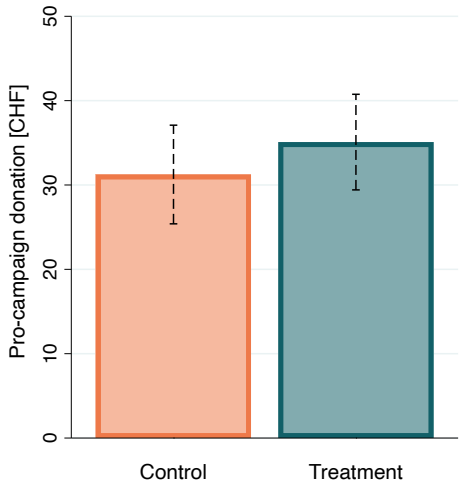
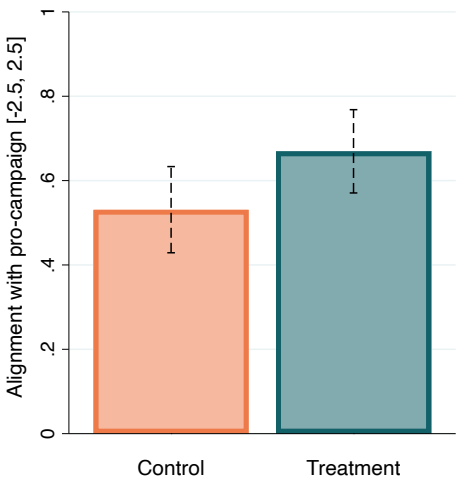


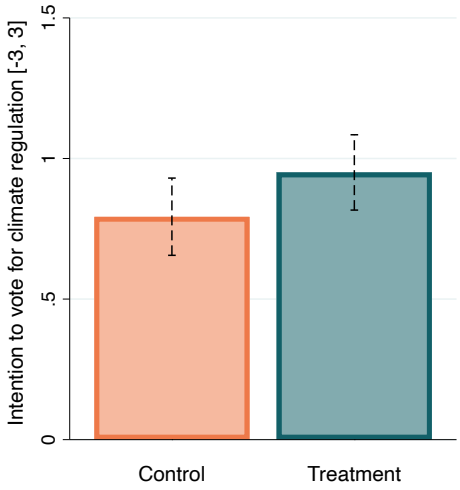
Figure 3: Climate policy support in the treatment and control groups
These figures show the effect of our green investing treatment on individual climate policy support. Panel (a) shows the average net pro-campaign donation (treating donations to the anti-campaign as negative) in CHF in the control and treatment groups. Panel (b) shows the pro-campaign alignment on a 6-point Likert scale. Panel (c) shows the average intention to vote 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

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 the 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]	250,000–1 M	250,000–1 M	$p = .781$
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: $+3$]	0.2	0.2	$p = .550$

Table 2: Green investing and climate policy support
This table reports the effects of the treatment on our measures of climate policy support, as well as respondent investment decisions. For the variable *Net pro-campaign donation*, donations to the pro-campaign are scaled positive, and donations to the anti-campaign negative. The shares of participants donating to the pro-campaign and the anti-campaign are reported separately. For the variable *Pro-campaign alignment*, positive values indicate alignment with the pro-campaign, and negative values with the anti-campaign. For *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 on the differences between the two treatments.

	Mean Values		**Mann–Whitney U Test**
	CONTROL ($n = 1030$)	TREATMENT ($n = 1021$)	(CONTROL = TREATMENT)
Climate policy support			
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 [%]	11.9	9.4	$p = 0.063$
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: 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. Regarding green investing, the table reports the treatment effect separately for respondents who have or have not chosen the climate fund in the follow-up survey (green investing: yes or no). Regarding politics, the table reports the treatment effect for three subgroups along the political affiliations of respondents (politics: left, center, and right). Regarding outcome expectations, the table reports treatment effects for the subgroup of respondents who are certain about the outcome of the vote and those who are uncertain. The first two columns report mean net-donation values by group; the third column reports p-values of a Mann–Whitney U test on the differences between the two treatments.

	Mean Net Donation Values [CHF]		**Mann–Whitney U Test**
	Control	Treatment	(Control = Treatment)
Green investing:			
Yes ($n = 1055$)	45.78	51.50	$p = 0.266$
No ($n = 348$)	−7.56	−5.80	$p = 0.807$
Politics:			
Left ($n = 988$)	57.45	63.58	$p = 0.308$
Center ($n = 426$)	21.02	20.04	$p = 0.642$
Right ($n = 637$)	−2.33	0.75	$p = 0.650$
Expectation outcome vote:			
Certain ($n = 471$)	29.41	32.79	$p = 0.868$
Uncertain ($n = 1,580$)	31.81	35.75	$p = 0.262$

Table 4: Perception of the climate fund within the treatment group
This table reports respondent perceptions 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 for the two groups combined. For perceived climate impact, positive values indicate agreement with the statement that the fund makes a relevant contribution to climate protection. Positive values for risk expectations, return expectations, and positive emotions indicate that respondents state a more favorable view of the climate fund; negative values indicate a more favorable view of the conventional fund. ***, **, and * show that a Wilcoxon signed-rank test indicates that the population mean ranks are significantly different from zero at the 1%, 5%, and 10% levels, respectively.

	Investment in Climate Fund		
	Yes	No	Total
	($n = 785$)	($n = 236$)	($n = 1,021$)
Perceived climate impact [−3, 3]	1.03^{***}	-0.20	0.74^{***}
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^{***}

Appendix

Table A1: Main variable definitions
This table describes the main variables used in the paper.

Variable	Description
Climate policy support	
Net pro-campaign donation	Amount (in CHF) 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.
Pro-campaign alignment	Answer to the question "Which of the campaigns (better) represents your personal opinion?" on a 6-point Likert scale. Values are scaled from -2.5 (aligned with the anti-campaign) to $+2.5$ (aligned with the pro-campaign).
Voting intention	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	
Treatment	Indicator equal to 1 for respondents in the treatment group.
Risk expectations	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 (an investment in the climate fund is much riskier) to $+3$ (an investment in the conventional fund is much riskier).
Return expectations	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 conventional fund will achieve a much higher return) to $+3$ (the climate fund will achieve a much higher return).
Positive emotions	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).
Investment in climate fund	Indicator equal to 1 for respondents who invested in the climate fund and 0 for those who invested in the conventional fund.
Perceived climate impact	[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	
Political preference	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).

Politics: right	Indicator equal to 1 if the respondent chooses −3, −2, or −1 on the Likert scale of political preferences, and 0 otherwise.
Politics: left	Indicator equal to 1 if the respondent chooses +1, +2, or +3 on the Likert scale of the political preference, and 0 otherwise.
Expectation outcome vote	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	
Age	Self-reported age in full years.
Gender	Self-reported gender.
Male	Indicator equal 1 for male respondents and 0 otherwise.
Highest education	Self-reported level of education.
Higher education	Indicator equal to 1 if the respondent reported a tertiary education and 0 otherwise.
Income	Self-reported personal monthly gross income, with options ranging from *up to CHF 2,000* to *More than CHF 20,000* in increments of *CHF 3,000*.
Net worth	Self-reported total liquid assets, with options being *Less than CHF 50,000*, *Between CHF 50,000 and 75,000*, *Between CHF 75,000 and 200,000*, *Between CHF 200,000 and 250,000*, *Between CHF 250,000 and 1 million*, and *More than CHF 1 million*.
High income	Indicator equal to 1 if the respondent reported an above-median income and 0 otherwise.
Untold income	Indicator equal to 1 if the respondent decided not to self-report the monthly income and 0 otherwise.
High net worth	Indicator equal to 1 if the respondent declared an above-median net worth and 0 otherwise.
Untold net worth	Indicator equal to 1 if the respondent chose *No indication* from the options for the self-reported net worth and 0 if any other category was chosen.
Urban region	The urban or rural status of the place of the respondent's principal residence by population density.
Language region	The primary language in the respondent's principal residence (German, French, or Italian) derived from the postal code indicated by the respondent.
French speaking region	Indicator equal to 1 if the primary language in the respondent's municipality of residency is French and 0 otherwise.
Italian speaking region	Indicator equal to 1 if the primary language in the respondent's municipality of residency is Italian and 0 otherwise.

Table A2: Demographics and political preferences in the follow-up survey
This table presents the mean values of the demographic variables for respondents in the follow-up survey. The first two columns report the mean of the variables in the two groups; the third column reports the p-values of a Mann–Whitney U test on the difference between the two. Respondents are well balanced between the treatment and the control group ($p = .843$, test of proportion).

	Mean Values		**Mann–Whitney U Test**
	Control ($n = 1030$)	Treatment ($n = 1021$)	(Control = Treatment)
Age [years]	48.0	49.0	$p = .356$
Gender [%]:			
Female	44.8	46.2	$p = .599$
Male	55.0	53.3	$p = .528$
Other	0.1	0.4	$p = .322$
Highest education	Secondary	Secondary	$p = .372$
Income [CHF]	8,001–12,000	8,001–12,000	$p = .349$
Net worth [CHF]	200,000–250,000	200,000–250,000	$p = .592$
Municipality [%]:			
Rural	33.5	33.9	$p = .895$
Urban	66.5	66.8	$p = .895$
Language region [%]:			
German	70.6	70.7	$p = .724$
French	23.5	23.7	$p = .932$
Italian	4.7	5.4	$p = .572$
Political preference [left: -3, right: $+3$]	0.2	0.2	$p = .876$

Table A3: Treatment effect on climate policy support controlling for demographic characteristics

This table shows the results of OLS regressions of individual climate policy support on the treatment indicator. Columns 1–2 regress our main measure of political support for climate regulation, donations to the pro-climate-law campaign; columns 2–3 employ the stated alignment with the pro-climate-law campaign; columns 5 and 6 regress the intention to vote in favor of the climate law. 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 differs significantly from zero at the 1%, 5%, and 10% levels, respectively.

Dependent variable:	Net pro-campaign donation		Pro-campaign alignment		Voting intention	
	(1)	(2)	(3)	(4)	(5)	(6)
Treatment	3.84	4.38	0.14*	0.15**	0.16	0.17**
	(0.93)	(1.13)	(1.91)	(2.39)	(1.61)	(1.99)
Age		0.15		0.00**		0.01*
		(1.22)		(2.11)		(1.81)
Male		6.00		0.00		0.04
		(1.49)		(0.01)		(0.48)
Higher education		25.34***		0.56***		0.57***
		(5.87)		(8.27)		(6.38)
High income		3.89		−0.12		−0.13
		(0.83)		(−1.50)		(−1.19)
Untold income		−2.80		−0.24		−0.38*
		(−0.34)		(−1.58)		(−1.74)
High net worth		11.26**		0.28***		0.38***
		(2.30)		(3.55)		(3.69)
Untold net worth		−3.53		-0.03		−0.01
		(−0.45)		(−0.19)		(−0.06)
Urban region		13.47***		0.22***		0.28***
		(3.28)		(3.17)		(2.99)
French speaking region		−6.13		−0.10		0.02
		(−1.37)		(−1.24)		(0.21)
Italian speaking region		−19.18**		−0.26		−0.23
		(−2.25)		(−1.57)		(−1.14)
Politics: left		37.18***		0.91***		1.27***
		(7.77)		(10.77)		(11.03)
Politics: right		−24.93***		−0.66***		−0.76***
		(−4.90)		(−6.90)		(−5.71)
Constant	31.24***	−13.46*	0.53***	−0.30**	0.79***	−0.34*
	(10.48)	(−1.74)	(10.20)	(−2.26)	(11.33)	(−1.90)
Observations	2,051	2,051	2,051	2,051	1,726	1,726
R^2	0.00	0.13	0.00	0.24	0.00	0.26

Table A4: Self-monitoring scale and treatment effects

This table reports OLS regressions of the three outcome variables net-donation, alignment, and voting intention on the treatment indicator. The regression includes self-monitoring (SM), a scale based on six items to measure the extent to which individuals are willing to adapt behavior to conform to the expectations of others and its interaction with the treatment indicator. t statistics based on robust standard errors are reported in parentheses. ***, **, and * indicate that the parameter estimate differs significantly from zero at the 1%, 5%, and 10% levels, respectively.

	(1) Pro-campaign donation	(2) Pro-campaign alignment	(3) Voting intention
Treatment	3.221	0.157	0.197
	(0.59)	(1.63)	(1.55)
SM	5.031	0.0801	0.107
	(0.85)	(0.78)	(0.80)
Treatment × SM	-6.964	0.139	0.220
	(-0.87)	(0.96)	(1.17)
Constant	33.90***	0.575***	0.827***
	(8.31)	(8.31)	(9.00)
Observations	1403	1403	1200
R^2	0.002	0.005	0.006

Table A5: Self-monitoring questions and treatment effects

This table reports OLS regressions of net-donation on the treatment indicator T. The regressions include six different items to measure the extent to which individuals are willing to adapt behavior in order to conform to expectations. t statistics based on robust standard errors are reported in parentheses. ***, **, and * indicate that the parameter estimate differs significantly from zero at the 1%, 5%, and 10% levels, respectively.

	(1)	(2)	(3)	(4)	(5)	(6)
Treatment	6.042	5.314	2.320	4.863	9.106	4.348
	(1.20)	(0.82)	(0.37)	(0.66)	(1.45)	(0.73)
Importance of fitting in	5.718**					
	(2.32)					
T× Importance of fitting in	-4.869					
	(-1.38)					
Behaving as others wish		-1.629				
		(-0.61)				
T× Behaving as others wish		-0.370				
		(-0.10)				
Good intuition for others' motives			2.595			
			(0.78)			
T× Good intuition for others' motives			3.356			
			(0.79)			
(-1) * Behavior expressing true feelings				-5.278*		
				(-1.69)		
T× (-1) * Behavior expressing true feelings				-0.734		
				(-0.17)		
Regulating ones actions					4.719	
					(1.56)	
T× Regulating ones actions					-3.775	
					(-0.90)	
(-1) * NOT changing opinions to please						-0.330
						(-0.15)
T× (-1) * NOT changing opinions to please						-1.071
						(-0.34)
Constant	31.63***	30.01***	29.52***	24.50***	27.74***	31.71***
	(8.69)	(5.94)	(6.28)	(4.72)	(5.98)	(7.37)
Observations	1403	1403	1403	1403	1403	1403
R^2	0.005	0.002	0.004	0.006	0.003	0.001

Figure A1: Investment Stage (Control Group)
This figure displays the information shown to the respondents in the control group when they are asked to invest CHF 1,000 (USD 1,100).

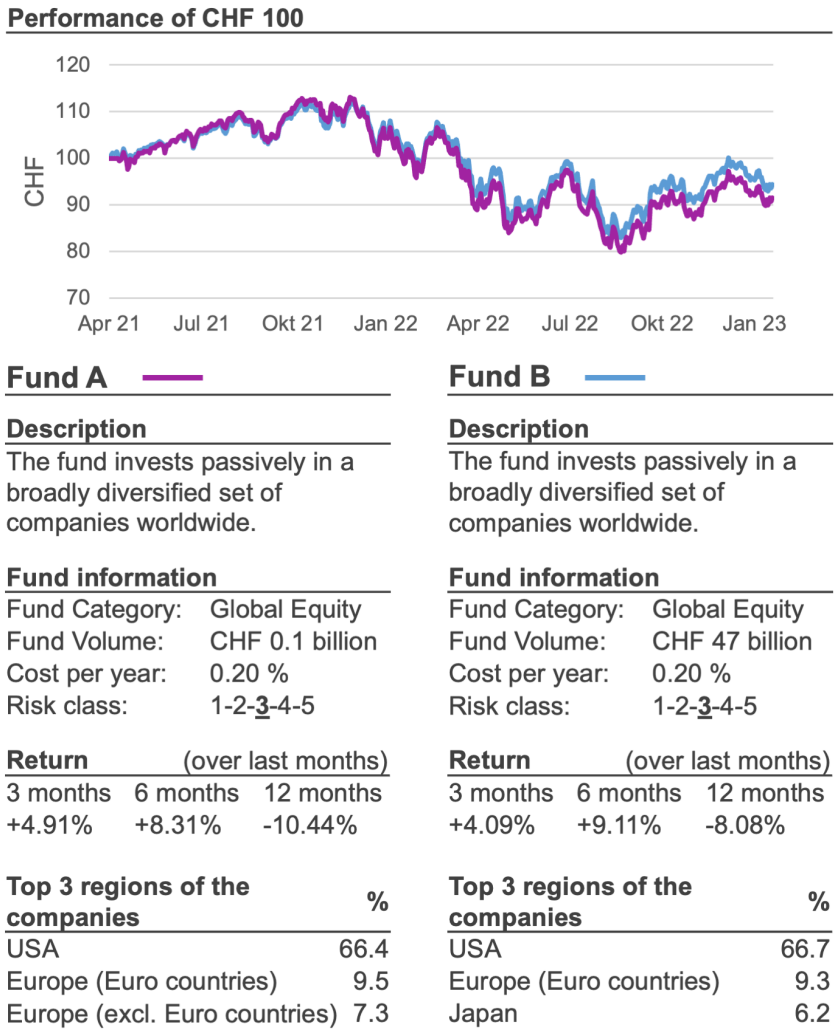
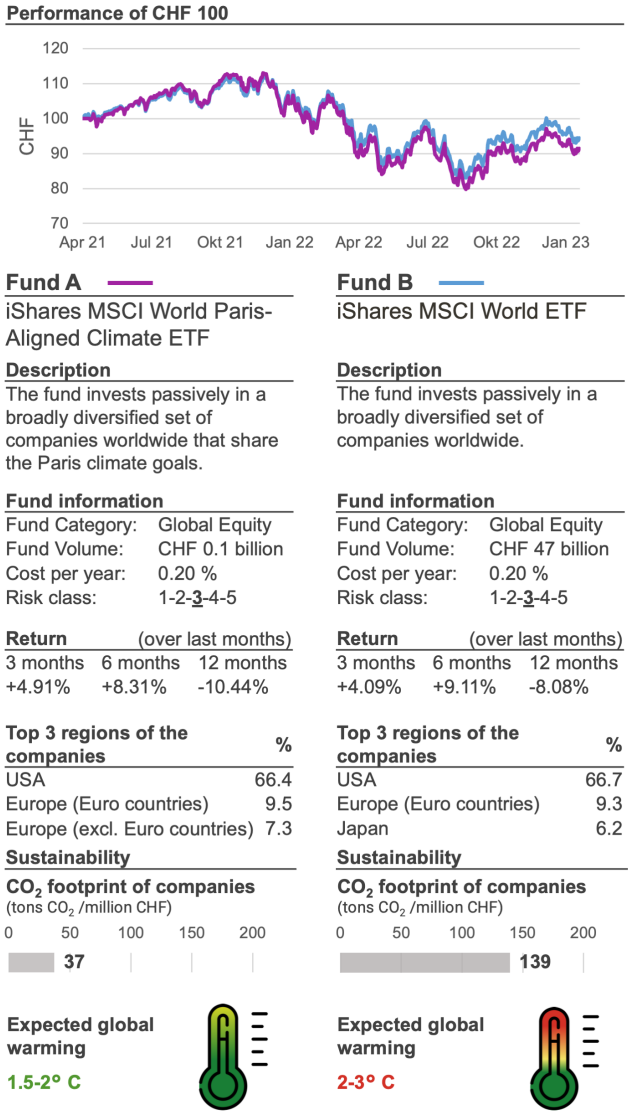


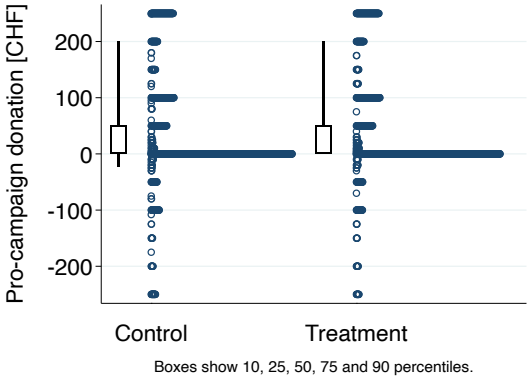
Figure A2: Investment Stage (Treatment Group)
This figure displays the information shown to the respondents in the treatment group when they are asked to invest CHF 1,000 (USD 1,100). In addition to the information shown in the control group, we reveal the climate focus of Fund A and add explicit climate impact metrics for both funds.



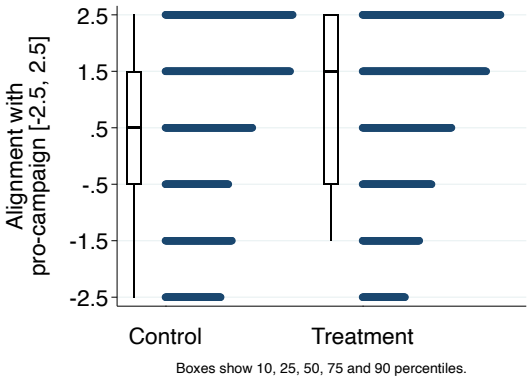
Risk class: Measures how much the fund's returns fluctuate compared to similar investments. Higher risk class means higher fluctuations.
CO_2 footprint: Measures the greenhouse gas emissions of the companies in the fund relative to their sales. High values indicate high CO_2 emissions.
Expected global 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 A3: Distribution of climate policy support in the treatment and control groups

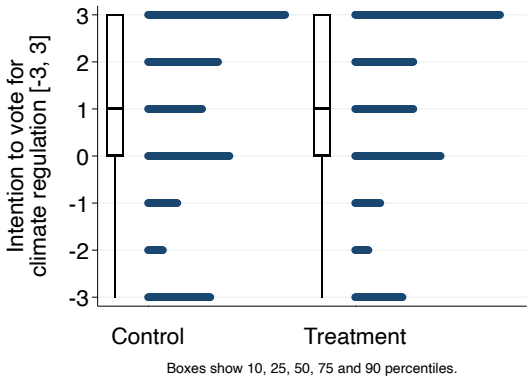
The panels in this figure show vertical histograms of the outcome variables on respondents support for climate policy. Each dot reflects an individual response, and dots are stacked to the right. Panel (a) shows the distribution of net pro-campaign donations (treating donations to the anti-campaign as negative) in CHF in the control and treatment groups. Panel (b) shows the distribution of pro-campaign alignment on a 6-point Likert scale. Panel (c) shows the distribution of voting intentions in favor of the climate law on a 7-point Likert scale.



(a) Net pro-campaign donation

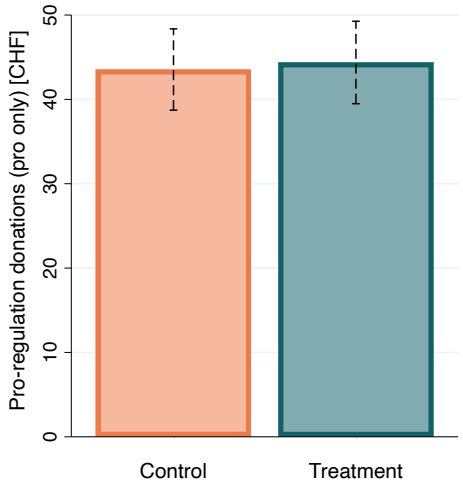


(b) Pro-campaign alignment

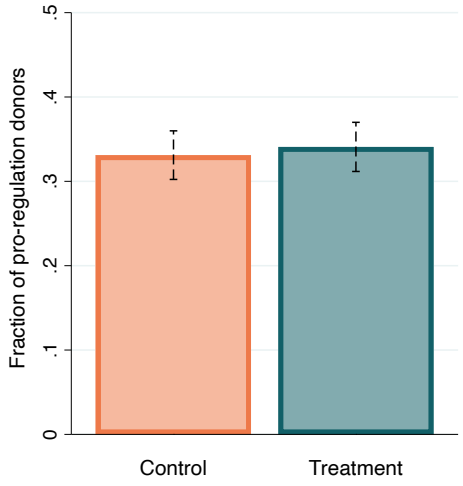


(c) Voting intention

Figure A4: Donations to the pro-climate law campaign
These figures show the effective donations to the pro-climate law campaign. Panel (a) shows the average pro-campaign donation in CHF for the control and treatment groups. Panel (b) shows the share of respondents in the control and treatment groups who donated to the pro-campaign. The bars indicate 95% confidence intervals.

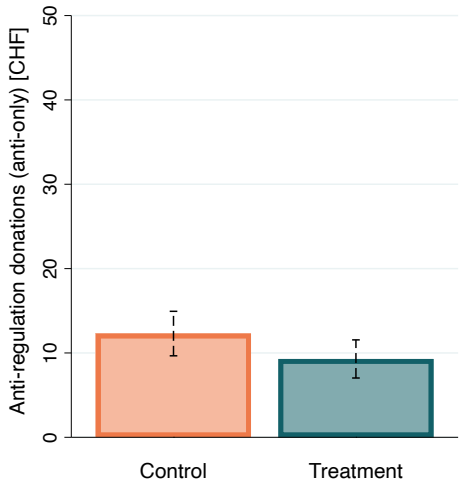


(a) Pro-campaign donation, CHF

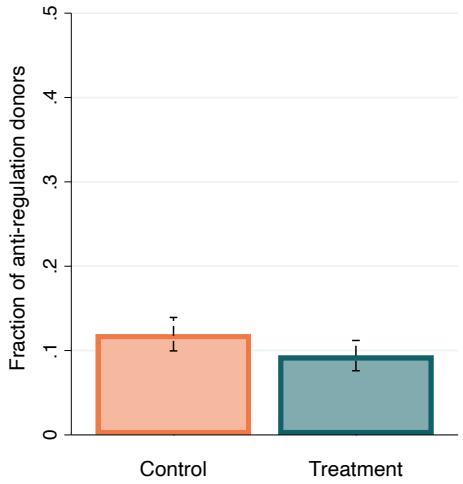


(b) Pro-campaign donation, Share

Figure A5: Donations to the anti-climate law campaign
These figures show the effective donations to the anti-climate regulation committee. Panel (a) shows the average anti-campaign donation in CHF for the control and treatment groups (coded using a minus sign). Panel (b) shows the share of respondents in the control and treatment groups who donated to the anti-campaign. The bars indicate 95% confidence intervals.



(a) Anti-campaign donations, CHF



(b) Anti-campaign donation, Share

Figure A6: Observational vs. experiment voting intention
This figure displays the intention to vote for the law derived from two SRF polls (GFS.Bern, 2023a,b), Climate and Innovation Law real voting outcome, as well as the *Voting Intention* (> 0) from the experiment. For consistent comparison with the actual voting outcome, the share of voting intentions in favour of the climate law is calculated without taking into account respondents indicating "I don't know".

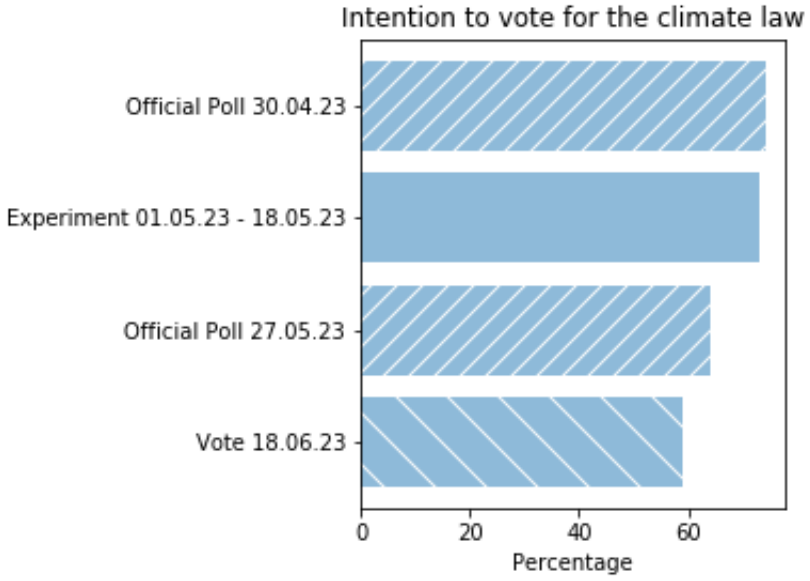
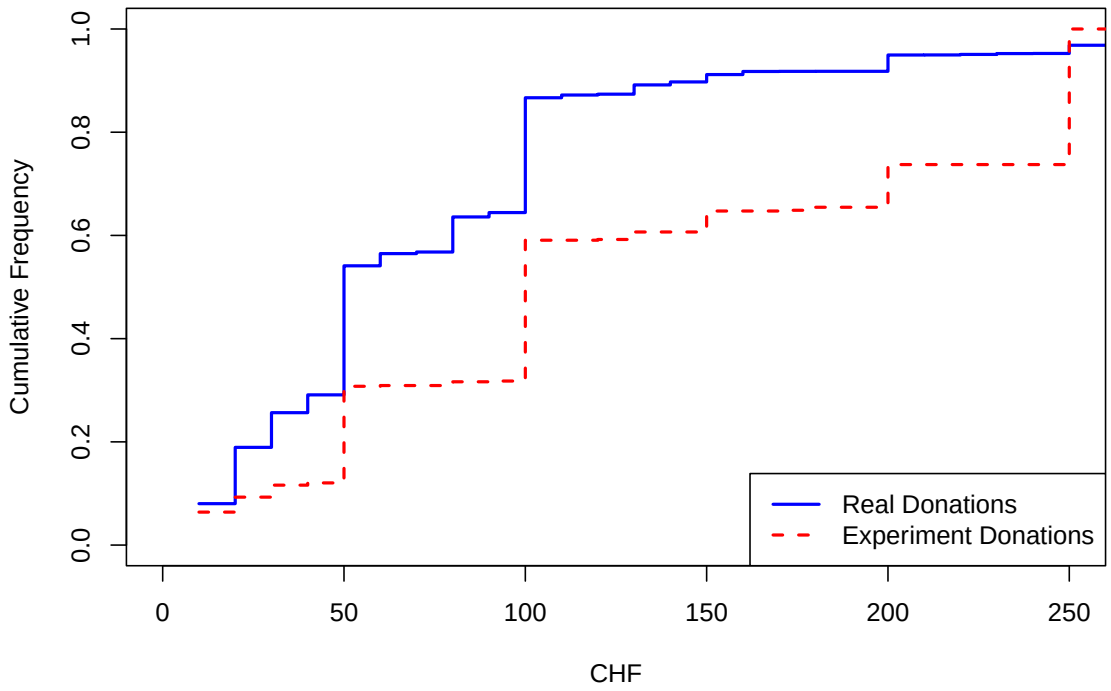


Figure A7: Real vs. experimental donations
This figure displays the cumulative distributions of real and experimental donations to the pro-campaign with a step size of CHF 10. Real individual donations ($N = 9682$) between March 17 and June 18, 2023, are obtained from the pro-climate law campaign Swiss Association of Climate Protection (Verein Klimaschutz Schweiz). Experimental donations ($N = 689$) are conditional on participants donating a non-zero amount to the pro-campaign.



Internet Appendix

The internet appendix presents an 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

JA
Klimaschutz-
Gesetz 18. Juni

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 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

Q16 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

Q17 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)

Q18 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

Q19 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

Q20 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.

Q21 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.

Q22 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

Q23 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

Q24 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

Q25 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	%
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	%
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	**%**
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	**%**
USA	66.4
Europe (Euro countries)	9.5
Europe (excl. Euro countries)	7.3

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

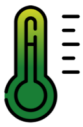
Sustainability

CO_2 footprint of companies
(tons CO_2 /million CHF)



Expected global warming

1.5-2° C



Fund B

iShares MSCI World ETF

Description

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

Fund information

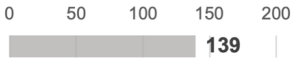
Fund Category:	Global Equity
Fund Volume:	CHF 47 billion
Cost per year:	0.20 %
Risk class:	1-2-**3**-4-5

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

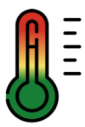
Sustainability

CO_2 footprint of companies
(tons CO_2 /million CHF)



Expected global warming

2-3° C



Risk class: Measures how much the fund's returns fluctuate compared to similar investments. Higher risk class means higher fluctuations.
CO_2 footprint: Measures the greenhouse gas emissions of the companies in the fund relative to their sales. High values indicate high CO_2 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

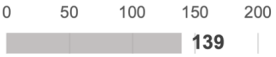
Fund Category:	Global Equity
Fund Volume:	CHF 47 billion
Cost per year:	0.20 %
Risk class:	1-2-**3**-4-5

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

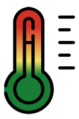
Sustainability

CO_2 footprint of companies
(tons CO_2 /million CHF)



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

CO_2 footprint of companies
(tons CO_2 /million CHF)



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.
CO_2 footprint: Measures the greenhouse gas emissions of the companies in the fund, relative to their sales. High values indicate high CO_2 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

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