

SOCIAL CONNECTEDNESS AND INFORMATION ACQUISITION: EVIDENCE FROM EDGAR SEARCHES

We study how social connectedness affects investors' demand for public information. Exploiting the Social Connectedness Index constructed based on Facebook friendship links, we find that investors acquire more public information about firms in distant but connected areas. Further analyses suggest the potential complementarity between private communication and public information drives our result. Identification strategies based on exogenous variations in investors' communication intensity and a historical component of social connectedness provide causal inference. Overall, we find that social connectedness facilitates investors' information acquisition activities and mitigates their local bias in learning.

📅 **10 January 2024 (Wednesday)**

🕒 **10:30am - 12:00noon**

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

🌐 **English**



SPEAKER:

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Dr. Li is affiliated with the School of Accountancy at Shanghai University of Finance and Economics (SUFU). Before joining SUFU, Dr. Li earned a PhD in finance from Nanyang Technological University in 2020. His research employs quantitative methodologies and new data to test theories of capital markets, particularly those related to information demand/usage and corporate externalities. Besides capital market research, he applies accounting insights about transparency to other settings, such as researchers' discretion and its consequences. Dr. Li's sole-authored dissertation has been accepted for publication in Management Science. He has delivered presentations at prestigious international conferences and invited research workshops at major universities.

