

Title: Is socially responsible investment driven by altruism? A transcranial direct current stimulation study

Author: Shu Chen, Xiaolan Yang

Affiliation: School of Business and Management, Shanghai International Studies University

Position: assistant professor

Abstract: Socially responsible investment (SRI) is a fast-growing investment strategy that integrates environmental and social impacts into investment considerations. Altruism is usually believed to be the motive of SRI, while other motives such as profit-maximization or risk-aversion may also account for investing in socially responsible corporations. This study aims to verify the existence of altruistic motive in SRI by testing whether modifying the activity in the right temporoparietal junction (rTPJ) using transcranial direct current stimulation (tDCS) impacts SRI decisions, given that the rTPJ has been proved to be crucial in altruistic decision-making. We found that enhancing the activity in rTPJ significantly increased the participants' level of altruism and willingness to invest in the SRI fund while inhibiting the activity in rTPJ decreased the above variables. Our study helps to understand more about the motives of SRI and provides implications for the neural mechanism of moral-versus-material decision-making.