

[Download This Paper \(Delivery.cfm/SSRN_ID1476884_code940076.pdf?abstractid=1476884&mirid=1\)](https://papers.ssrn.com/sol3/Delivery.cfm/SSRN_ID1476884_code940076.pdf?abstractid=1476884&mirid=1)[Open PDF in Browser \(Delivery.cfm/SSRN_ID1476884_code940076.pdf?abstractid=1476884&mirid=1&type=2\)](https://papers.ssrn.com/sol3/Delivery.cfm/SSRN_ID1476884_code940076.pdf?abstractid=1476884&mirid=1&type=2)[Add Paper to My Library](#)Share:

Weather and Financial Risk-Taking: Is Happiness the Channel?

SOEP paper No. 218

61 Pages

Posted: 24 Sep 2009

Cahit Guven (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=1293743)

Deakin University - School of Accounting, Economics and Finance

Date Written: August 2009

Abstract

Weather variables, and sunshine in particular, are found to be strongly correlated with financial variables. I consider self-reported happiness as a channel through which sunshine affects financial variables. I examine the influence of happiness on risk-taking behavior by instrumenting individual happiness with regional sunshine, and I find that happy people appear to be more risk-averse in financial decisions, and accordingly choose safer investments. Happy people take more time for making decisions and have more self-control. Happy people also expect to live longer and accordingly seem more concerned about the future than the present, and expect less inflation.

Keywords: happiness, risk-taking, climate**JEL Classification:** D01, D91, G11[Suggested Citation](#) >[Show Contact Information](#) >[Download This Paper \(Delivery.cfm/SSRN_ID1476884_code940076.pdf?abstractid=1476884&mirid=1\)](https://papers.ssrn.com/sol3/Delivery.cfm/SSRN_ID1476884_code940076.pdf?abstractid=1476884&mirid=1)[Open PDF in Browser \(Delivery.cfm/SSRN_ID1476884_code940076.pdf?abstractid=1476884&mirid=1&type=2\)](https://papers.ssrn.com/sol3/Delivery.cfm/SSRN_ID1476884_code940076.pdf?abstractid=1476884&mirid=1&type=2)

48 References

1. Hal R Arkes , H Lisa , Alice M Terren , Isen
The role of potential loss in the influence of affect on risk-taking behavior
Organizational Behavior and Human Decision Processes , volume 42 , p. 181 - 193 Posted: 1988
Crossref ([https://doi.org/10.1016/0749-5978\(88\)90011-8](https://doi.org/10.1016/0749-5978(88)90011-8))
2. Leonardo Becchetti , Stefano Castriota , David Andrs Londoo Bedoya
Climate, happiness, and the Kyoto protocol: Someone does not like it hot anymore, Centre for Economic and International Studies Working Paper 247 Posted: 2007
3. David G Blanchflower , Andrew J Oswald
Well-being over time in Britain and the United States
Journal of Public Economics , volume 88 , p. 1359 - 1386 Posted: 2000
Crossref ([https://doi.org/10.1016/s0047-2727\(02\)00168-8](https://doi.org/10.1016/s0047-2727(02)00168-8))
4. Christopher F Baum , E Mark , Steven Schaffer , Stillman
Instrumental variables and GMM: Estimation and testing Posted: 2003
Crossref (<https://doi.org/10.1177/1536867x0300300101>)

We use cookies that are necessary to make our site work. We may also use additional cookies to analyze, improve, and personalize our content and your digital experience. For more information, see our [Cookie Policy](https://www.elsevier.com/legal/cookiepolicy) (<https://www.elsevier.com/legal/cookiepolicy>)

[Load more](#)[Cookie Settings](#)[Accept all cookies](#)

Do you have a job opening that you would like to promote on SSRN?

Place Job Opening (<https://www.ssrn.com/index.cfm/en/Announcements-Jobs/>)

Paper statistics

DOWNLOADS	278
ABSTRACT VIEWS	1,701
RANK	207,909

3 Citations

48 References

PlumX Metrics



(https://plu.mx/ssrn/a/?ssrn_id=1476884)

Related Journals

Clinical & Counseling Psychology eJournal (https://papers.ssrn.com/sol3/JELJOUR_Results.cfm?form_name=journalBrowse&journal_id=3586912)

Follow



Climate & Environmental Psychology eJournal (https://papers.ssrn.com/sol3/JELJOUR_Results.cfm?form_name=journalBrowse&journal_id=3586873)

Follow



View more >

Recommended Papers

Good Day Sunshine: Stock Returns and the Weather (https://papers.ssrn.com/sol3/papers.cfm?abstract_id=265674&rec=1&srcabs=1476884&pos=1)

By David Hirshleifer (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=2024) and Tyler Shumway (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=565)

Winter Blues: A Sad Stock Market Cycle (https://papers.ssrn.com/sol3/papers.cfm?abstract_id=208622&rec=1&srcabs=1476884&pos=2)

By Mark J. Kamstra (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=77748), Lisa A. Kramer (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=209293), ...

The Halloween Indicator, 'Sell in May and Go Away': Another Puzzle (https://papers.ssrn.com/sol3/papers.cfm?abstract_id=76248&rec=1&srcabs=1476884&pos=3)

By Ben Jacobsen (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=63368) and Sven Bouman (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=76249)

View more >

Feedback

Submit a Paper > (<https://hq.ssrn.com/submission.cfm>)

SSRN Quick Links



SSRN Rankings



 (<https://twitter.com/SSRN>)

(<https://papers.ssrn.com/sol3/updateInformationLog.cfm?process=true>)