

Empirical Investigation of Behavioral Drivers in Financial Decision-Making

Summary

This research project aims to explore how individual psychological traits interact with external conditions to shape financial and consumption behaviors. Using validated survey tools linked to extensive Estonian registry and transaction data, the study will provide empirical insights into real-world decisions related to investment, risk-taking, saving, and spending. Key themes include the role of cognitive and attitudinal factors, behavioral biases, social influences, and responses to income shocks, with the goal of bridging behavioral finance theory and household finance models.

Research field:	Economics and finance
Supervisors:	Dr. Karin Jõeveer Prof. Dr. Tõnn Talpsepp
Availability:	This position is available.
Offered by:	School of Business and Governance Department of Economics and Finance
Application deadline:	Applications are accepted between June 01, 2025 00:00 and June 30, 2025 23:59 (Europe/Zurich)

Description

The research

The proposed research topic will deepen understanding of how individual psychological traits (such as financial self-efficacy, time preference, impulsivity, and overconfidence) interact with contextual factors to influence real-world financial and consumption behaviors. We expect to use validated survey measures which will be linked to large-scale, anonymized transaction and registry data. The project seeks to observe actual decisions under varying economic condition with an overarching aim to bridge behavioral-finance theory and household finance models with empirical evidence on how people navigate investment entry, risk management, saving, and spending. Estonian registry data will be used to conduct the research.

Building on this framework, the successful candidate will propose a research plan from a suite of guiding themes: the influence of cognitive and attitudinal profiles on market timing and performance; the manifestation of biases like the disposition effect across asset classes; the role of social and peer networks in amplifying or mitigating behavioral tendencies; and the mechanisms of precautionary saving and consumption smoothing in response to income shocks. The candidate will be expected to develop empirical and scientifically justified research plan for the chosen questions.

Responsibilities and (foreseen) tasks

- Design and execute an empirical research plan in collaboration with the supervisors
- Clean, manage and analyze longitudinal data and link with survey data
- Select and implement appropriate identification strategies to isolate behavioral effects
- Interpret results in light of behavioral–finance and household-finance theories
- Prepare and disseminate research outputs (working papers, conference presentations, journal articles)
- Contribute to other research and teaching activities of the research group

Applicants should fulfil the following requirements:

- a master's degree in Finance or Economics
- demonstrated quantitative aptitude (econometrics, statistics, data analysis)
- proficiency in a scientific programming language (Python, R, Stata, or similar)
- excellent command of English
- strong and demonstrable writing and analytical skills
- commitment to independent, rigorous empirical research
- a clear interest in the topic of the position

- capacity to work both as an independent researcher and as part of an international team
- capacity and willingness to provide assistance in organizational tasks relevant to the project

(The following experience is beneficial:)

- prior involvement in empirical financial-market research or econometric studies
- hands-on experience with data extraction and analysis
- practical skills in building and querying large datasets (SQL, pandas, etc)
- experience with financial or economic modelling

The candidate should submit a research plan for the topic, including the overall research and data collection strategy. The candidate can expand on the listed research questions and tasks, and propose theoretical lenses to be used.

We offer:

- 4-year funded PhD position in the largest, most internationalized and leading Business School in Estonia with a large portfolio of ongoing pan-European and national research projects;
- Active involvement in research projects of the assigned research group;
- The chance to do high-impact research in one of the most dynamic digital settings globally;
- Opportunities for conference visits, research stays and networking with globally leading universities and research centers in the BEG fields;
- All PhD positions are guaranteed a gross income of at least 2300 EUR and Estonian national health insurance.

About the school

TalTech School of Business and Governance is the leading provider of higher education in the fields of economics, business administration, law and public administration in the Baltic States. Our faculty includes internationally recognised top scientists and outstanding practitioners not only from Estonia but also from abroad - we have 34% international faculty members from 33 countries. About 23% of international students from over 60 countries confirm the attractiveness of the School in the international education landscape.

(Additional information)

For further information, please contact Prof Tonn Talpsepp, tonn.talpsepp@taltech.ee or visit: <https://taltech.ee/en/departments/economics-and-finance>



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