

# Researchers' tools show who is most easily duped by 'financial bullshit'

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Is it possible to predict which consumers are in the risk zone for being misled by individuals who promote "financial bullshit"? Yes, according to researchers at Linköping University (LiU). And the answer is: young

men with relatively high incomes who overestimate their financial expertise.

"Bullshit" is a concept with its own theoretical research in academia. Interest in research on bullshit has increased in recent years, not least of all among researchers in behavioral sciences and psychology.

"We are interested in [financial decision](#) making. Financial markets and economics are two things that many people think are hard to understand. There are lots of seemingly impressive terms, jargon and slogans that we don't always fully understand," says Gustav Tinghög, one of the researchers behind the study, and associate professor in economics at Linköping University.

## **Impressive words**

The theoretical term in the research on this subject is "pseudo-profound bullshit," and the study is about seeing what abilities you need to detect and distinguish bullshit. Bullshit often consists of vaguely related words that sound insightful and impressive, but which don't actually mean anything. It's not necessarily untrue, but rather a misleading way of communicating about something. Previous research has also shown that individuals who are more receptive to bullshit are less analytical and have lower verbal intelligence. These individuals often fall victim to fake news and buy into conspiracy theories. Previous research has also shown that individuals who are good at producing bullshit are perceived to be—and actually are—more intelligent than others.

"Being able to identify, and also being able to produce, bullshit are therefore often important factors in individuals' success in different contexts. Not least of all in the professional world," says Gustav Tinghög.

## Complete nonsense

He, together with his colleagues at LiU, Daniel Västfjäll and Mario Kienzler, has taken the research a step further. In their study, they focus on financial bullshit—that is to say, financial messaging which is actually complete nonsense. The results have been published in the *Journal of Behavioral and Experimental Finance*.

The researchers have developed and validated a new measurement scale, where individuals judge the meaningfulness in a set of statements containing both nonsense sentences and quotes from winners of the Nobel Prize in Economics. Using the scale, the researchers can judge consumers' ability to detect and distinguish true financial messaging from bullshit. In the study, the researchers have also carried out surveys of just over 1,000 people. In the surveys, the researchers present several assertions about [financial services](#) and products, such as investments, loans and money management. These statements contain concepts that can sound impressive, but which in reality are meaningless and can be compared to misleading marketing. The participants were then asked to say whether the statements were true or false.

## Vulnerable group

The results show that the consumer group which is particularly vulnerable to financial bullshit is young men with high incomes who overestimate their financial expertise. Those who are good at seeing through financial bullshit are the opposite: older women with lower incomes who don't overestimate their financial expertise.

"Of course, this is a general result—we can't say that all young men fall for bullshit. But a reasonable interpretation of the results is that men are more easily impressed by financial statements. The world of finance

markets is a traditionally male-dominated one. We know from previous studies that women, generally speaking, worry more about finance. This makes it more likely that they pay attention to and are critical of financial information."

## Predict individuals

The measurement that researchers have developed also shows that it is possible to predict individuals' economic well-being and behavior based on their ability to see through financial bullshit. This research allows us to understand how financial communication affects consumers' decisions, and their level of satisfaction with their finances.

"It is always worth trying to understand why people are people, and why we behave as we do. Through this research, we can identify which groups are more or less vulnerable to being misled through adverts and financial communication," says Gustav Tinghög.

The study has been carried out by the interdisciplinary research group JEDILab (Judgement Emotion Decision and Intuition Lab) at Linköping University. Daniel Västfjäll is a professor of psychology, Mario Kienzler is an associate professor of industrial engineering, and Gustav Tinghög is a professor of economics.

**More information:** Mario Kienzler et al, Individual differences in susceptibility to financial bullshit, *Journal of Behavioral and Experimental Finance* (2022). [DOI: 10.1016/j.jbef.2022.100655](https://doi.org/10.1016/j.jbef.2022.100655)

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