WHAT’S YOUR INVESTING PERSONALITY?

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Note: Slides incomplete without accompanying oral commentary.
ABOUT US

• The Ontario Securities Commission (OSC) regulates the securities industry in Ontario—aims to:
  • protect investors from unfair, improper or fraudulent practices,
  • foster fair and efficient capital markets and confidence in capital markets, and
  • contribute to the stability of the financial system and the reduction of systemic risk.

• The Investor Office leads the OSC’s efforts in investor engagement, education, outreach and research. It also provides leadership in the area of behavioral insights at the OSC.
GETSMARTERABOUTMONEY.CA (GSAM)

• One of Canada’s most visited financial literacy websites.
• Together with related investor resources, received over 5 million visits in the 12-month period ending October 31.
WHAT WE’VE LEARNED

• We’re continually focused on improving and expanding GSAM, using both what we learn from our web traffic data, and findings from behavioural insights research.

• Research we published in July 2018 suggests personalization can help further increase engagement.

• Literature suggests gamification can be an effective tactic as well.

• Our web traffic data supports these insights—our tools and calculators are among our most popular resources.
OUR CHALLENGE

• Increasing engagement with our resources on behavioural insights.

• Resources focus on explaining the biases and heuristics that help explain retail investor behaviour.

• But it’s tough for the user to identify which biases and heuristics are most relevant for them. The experience doesn’t feel personalized.

• Behavioural biases and heuristics can also be complicated to explain, such that users might not feel inclined to learn more about them.
OUR RESPONSE

• Developed an “investor personality quiz” that helps people identify which biases and heuristics might have the heaviest influence on their investing behaviour.

• The quiz draws from academic literature (Pompian, 2008), but we aimed to keep the quiz short and simple—we make clear that the point of the quiz is to get people thinking, not to reach a scientific diagnosis.

• The quiz tests for whether the respondent takes an active or passive approach to investing, and how open they are to taking risks with their investments.
OUR RESPONSE

• Based on the responses, it assigns people to one of four personality types:
  
  • **Passive Preserver** (conservative, focused on avoiding loss)
  
  • **Friendly Follower** (likely to be interested in trendy investments)
  
  • **Independent Individualist** (self-assured investors who may resist following a financial plan)
  
  • **Active Accumulator** (confident, likely to trade frequently, may be resistant to accepting professional advice)
OUR RESPONSE

• Based on quiz results, we link to specific behavioural biases that might be most relevant to the user’s personality type.
LOOKING FORWARD

• We will be tracking web traffic to the quiz and related resources over the coming weeks.

• If the quiz appears to be a success in attracting attention to our resources on behavioural biases, it could point the direction towards additional personalized, interactive quizzes that guide users to content relevant to their needs.