

SUMMARY

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Information clearly has an impact on how individuals make economic decisions. For example, under the highly influential efficient markets hypothesis, it is thought that the price of an asset reflects all the information available about it. However, the impact of a lack of information on asset prices is not well understood.

This project that I participated in is an ongoing research project of Professors Tookes and Choi. The objective was to investigate how changes in the publication schedules of newspapers might influence the pricing of the stock of regional companies; for example, if the *New Haven Register* were to become a weekly, how would such a change affect the behavior of stock prices of companies based in the greater New Haven area? The project began with just looking at newspaper closures, but was expanded to include other changes in publication schedules, so that more general conclusions could be drawn.

My work for the project was divided into two stages. In the first stage, I was tasked to compile relevant data about newspapers in the United States, collected from industry yearbooks. The second stage was to match the newspaper data, e.g. geographical location, with data on listed companies; this part of the project is still in progress, as there are many accepted ways of quantifying stock price efficiency.

From this project, I have gained a much better understanding of how collaborative economic research is done, from observing how Professors Tookes and Choi discuss which measures to collect and how they divide up their responsibilities. Second, while the data compilation process was tedious, I have found it satisfying to know that I have put together a data set that might help inform future work about the relationship between information and asset prices. Third, this project has shown me the practical difficulties with observing and measuring a concept like “stock price efficiency,” and what steps might be taken to ensure that observations are as accurate as possible. Lastly, this project introduced me to the intricacies of programming with SAS, which I have found to be simultaneously challenging and powerful.

Overall, I have enjoyed my SRO experience: it was a great opportunity to observe and learn from Professors Tookes and Choi. Being able to work on a research project was also an intellectually-fulfilling experience; economics classes at Yale do not usually have an applied component where students work on a quantitative project, and it was exciting to have participated in one where the ideas that I had been taught in class were applied in a research context.