Academic Seminar

Incentivizing Investors for a Greener Economy

We demonstrate that investment income taxes incentivize investors to reallocate capital to the eco-friendly green sector away from the non-eco-friendly brown sector. This tax reduces the arrival intensity of climate disasters, delivers the socially optimal allocation and can be jointly implemented with the carbon tax, expanding policy-makers' toolkit to reduce climate disasters. Furthermore, green firms may earn lower (higher) premium than the market if the climate disaster risk dominates (is dominated by) the diversification risk.

Professor Harold H. Zhang
Professor of Finance
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Professor Harold H. Zhang is a Professor of Finance at the Jindal School of Management at the University of Texas at Dallas. He has held this position since 2005. He received his Ph.D. in Economics from Duke University in 1994 and his B.S.E. in Ocean Engineering from Shanghai Jiao Tong University in 1984. Before joining the University of Texas at Dallas, he served as an Associate Professor of Finance at the Kenan-Flagler Business School at the University of North Carolina at Chapel Hill and as an Assistant Professor of Economics at the Graduate School of Industrial Administration at Carnegie Mellon University.

Prof. Zhang is the member of business panel at the Hong Kong RGC. He has received several awards for his research, including the TIAA-CREF Paul A. Samuelson Award for outstanding scholarly writing on lifelong financial security and the Barclays Global Investors/Michael Brennan Runner-Up Award for the best paper published in volume 14 of the Review of Financial Studies. He has published numerous research papers in top-tier journals in his field, such as the *Journal of Finance*, *Review of Financial Studies*, and *Journal of Financial and Quantitative Analysis*. He also serves as an Associate Editor for several academic journals in finance and economics.

Prof. Zhang's research interests include optimal portfolio choice and consumption, capital gains taxes, asset pricing, and financial networks. He has also received grants and contracts from organizations such as the Teachers Insurance and Annuity Association-College Retirement Equities Fund and the Institute for Quantitative Research in Finance.

Date: 7 June 2023 (Wednesday)

Time: 10:30am - 12:00nn

Venue: SEK206, 2/F, Simon & Eleanor Kwok Building

Language: English

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****ALL ARE WELCOME****

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Due date: 8 June, 2023