

# The Role of CSR Information Characteristics in Investor Decisions

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Those supporting greater CSR disclosures claim that investors want to know how corporations achieved their CSR performance, not merely what was achieved. However, critics claim that investors demand more CSR disclosures but do not use them in their judgments. We examine whether and how investors use CSR information presented as summarized outcomes (i.e., aggregated) versus that presented as itemized processes (i.e., disaggregated). We posit that the disaggregated (versus aggregated) format positively impacts investor judgments because disaggregation lowers cognitive costs by isolating diagnostic information and chunking interrelated items. Preliminary results from an experiment administered to investors indicate that they acquire the disaggregated more so than the aggregated format, evaluate the usefulness of the disaggregated format in their CSR relevance and reliability assessments, and weigh these assessments in their CSR performance judgments, which in turn impacts stock price estimates and investment allocations. These results suggest that investors significantly value disaggregated CSR information.