Human Interactions and Financial Investment: A Video-Based Approach

Allen Hu (Yale SOM, allen.hu@yale.edu)
Song Ma (Yale SOM, song.ma@yale.edu)

We project human interactions in videos to 3V (visual, vocal, and verbal) channels via machine learning and find the existence of costly social biases.

**VIDEO AS DATA**
- Video data is high-dimensional (~600M dimensions) and unstructured (embedding sound waves and images)
- A flexible and extendable empirical framework with interpretable measures constructed by ML algorithms
- Identify entrepreneurs’ genders, ages, emotions, and speech content within word-level time interval (<1 sec)
- Apply different aggregation methods to explore the heterogeneity

**RESULTS**
1. VC invests in happy, positive, and passionate teams
2. However, happy teams underperform if conditional on being invested
3. Women are often neglected in mixed-gender teams
4. Investors do not appreciate passionate/interesting woman in mixed-gender teams

**CONCLUSIONS**
Human interactions affect economic decisions because...
- [ ] “Know You Better”  People extract useful information
  (Is he/she passionate about this project?)
- [X] “Social Animals”  People establish social perceptions
  (Is he/she socialable? Do I like him/her?)