In many developed countries – including Poland – worker-to-beneficiary ratio is falling, which means that social security systems will face severe financial challenges in the near future. Therefore, investment decisions made by individuals are crucial for securing their financial situation in the future. This issue is exceptionally important both for the proper functioning of individual households, as well as in the context of national economic systems. Meanwhile, currently, no more than 20% of Poles invest their money and the value of this statistic has fluctuated during past years, showing no clear upward trend.

Polish investors, similarly to investors from other countries, make numerous mistakes when making investment decisions and their decisions are hardly (quasi)rational. Investors make irrational decisions on each stage of investments: while purchasing assets, while creating investment portfolios and managing investment risks (they often do not diversify) and while deciding about selling assets or keeping them in their portfolios. Until recently, it was postulated that the main reason why people do not invest is that their financial situation is not good enough to do it. However, these days it is well-documented that a low-level level of objective income is not the only reason for the observed low propensity to invest.

The irrational decisions made by investors steam mainly from errors made in three areas: poor assessment of risks involved in a particular investment, biases during information processing, and inadequate perception of self and one's investment abilities. Aiming to better understand investment decisions of individuals and the reasons why some people do not invest even though they can afford it, individual characteristics or situational factors that might impact the way people perceive risk, process information, and assess their investment abilities should be analyzed. At the same time, traits and states that directly impact financial decisions should be also taken into account. We propose that power held by a decision-maker might be an important factor explaining investment preferences.

Almost 50 years ago, Melville Ulmer wrote 'Perhaps no subject in the entire range of the social sciences is more important and at the same time so seriously neglected as the role of power in economic life.' A similar conclusion was formulated few years later by Galbraith . Although five decades have passed since those words were published, the concept of power is still severely understudied in economics. Importantly, it has been demonstrated that power alters individual's risks perception, information processing and assessment of self and one's abilities, which – as it was mentioned before – might impact investment choices and investment strategies.

The aim of the research project is to investigate whether and how power impacts investment preferences and to establish which characteristics shared by people in position of power are crucial for explaining differences in investment preferences between powerful individuals and those who lack power.