

Summary of Paper: [Does Temporal Immediacy Impact Investors' Judgments? It Depends on Communication Mode](#)

What is this study about?

This study examines whether subtle differences in language, specifically “temporal immediacy” (how close in time events are described), affect investors’ decisions. For example, managers can describe positive future events as happening “soon” versus “later,” even if the underlying facts are the same. The study also tests whether the communication format (text vs. video/audio) changes how investors interpret this language. The research uses two controlled experiments with 252 MBA participants (proxy for informed investors) and analyzes real-world earnings call data (910 excerpts from S&P 500 firms).

What are the major findings of the study?

The study finds that language matters, but only in certain contexts. When disclosures are presented in text form, investors are more willing to invest when managers use “favorable” language (making positive events feel closer and negative events feel more distant). However, this effect disappears in video and audio formats, where tone, facial expressions, and other nonverbal cues distract from subtle wording differences. The mechanism is important: immediate language makes positive future events seem closer and more likely to occur, increasing investment willingness. For example, investment scores rose from 5.29 to 5.90 (on a 10-point scale) under favorable language in text.

Why is the study important?

This research highlights that minor wording choices in disclosures can materially influence investor judgments, particularly in written filings like earnings releases and transcripts. It shows that investors may react to presentation style—not just economic substance—raising concerns about potential bias or manipulation.

What is the impact on professional practice and society at large?

For practitioners, this has implications for financial reporting, investor relations, and regulatory oversight. Firms relying heavily on text disclosures may unintentionally (or strategically) influence investor perceptions. Regulators may need to consider guidance on disclosure clarity and neutrality. For investors and analysts, the study underscores the importance of critical

evaluation of language, especially in text-based communications, to avoid overestimating future performance.