



# Book of the Short Papers

**Editors: Francesco Maria Chelli, Mariateresa Ciommi, Salvatore Ingrassia, Francesca Mariani, Maria Cristina Recchioni**



UNIVERSITÀ  
POLITECNICA  
DELLE MARCHE



LIUC | BUSINESS  
ANALYTICS AND  
DATA SCIENCE HUB



## CHAIRS

Salvatore Ingrassia (Chair of the Program Committee) - *Università degli Studi di Catania*

Maria Cristina Recchioni (Chair of the Local Organizing Committee) - *Università Politecnica delle Marche*

## PROGRAM COMMITTEE

Salvatore Ingrassia (Chair), Elena Ambrosetti, Antonio Balzanella, Matilde Bini, Annalisa Busetta, Fabio Centofanti, Francesco M. Chelli, Simone Di Zio, Sabrina Giordano, Rosaria Ignaccolo, Filomena Maggino, Stefania Mignani, Lucia Paci, Monica Palma, Emilia Rocco.

## LOCAL ORGANIZING COMMITTEE

Maria Cristina Recchioni (Chair), Chiara Capogrossi, Mariateresa Ciommi, Barbara Ermini, Chiara Gigliarano, Riccardo Lucchetti, Francesca Mariani, Gloria Polinesi, Giuseppe Ricciardo Lamonica, Barbara Zagaglia.

## ORGANIZERS OF INVITED SESSIONS

Pierfrancesco Alaimo Di Loro, Laura Anderlucchi, Luigi Augugliaro, Iliaria Benedetti, Rossella Berni, Mario Bolzan, Silvia Cagnone, Michela Cameletti, Federico Camerlenghi, Gabriella Campolo, Christian Capezza, Carlo Cavicchia, Mariateresa Ciommi, Guido Consonni, Giuseppe Ricciardo Lamonica, Regina Liu, Daniela Marella, Francesca Mariani, Matteo Mazziotta, Stefano Mazzuco, Raya Muttarak, Livia Elisa Ortensi, Edoardo Otranto, Iliaria Prosdocimi, Pasquale Sarnacchiaro, Manuela Stranges, Claudia Tarantola, Isabella Sulis, Roberta Varriale, Rosanna Verde.

## FURTHER PEOPLE OF LOCAL ORGANIZING COMMITTEE

Elisa D'Adamo, Christian Ferretti, Giada Gabbianelli, Elvina Merkaj, Luca Pedini, Alessandro Pionati, Marco Tedeschi, Francesco Valentini, Rostand Arland Yebetchou Tchounkeu

Technical support: Matteo Mercuri, Maila Ragni, Daniele Ripanti

Copyright © 2023

PUBLISHED BY PEARSON

WWW.PEARSON.COM

ISBN 9788891935618AAVV

# Contents

<b>Preface</b>	<b>XXII</b>
<b>1 Plenary Sessions</b>	<b>1</b>
Inequality indices: accurate simulation-based inference Maria-Pia Victoria-Feser	2
Examples from the Interface of Neural Models and Spatio-Temporal Statistics in Environmental Applications Christopher K. Wikle, Likun Zhang, Myungsoo Yoo and Xiaoyu Ma	7
Demographic change and sustainability: novel approaches from digital and computational demography Emilio Zagheni	n.a.
<b>2 Invited Sessions</b>	<b>14</b>
<a href="#">Machine learning in the design, analysis and integration of sample surveys</a>	
Causal Discovery for complex survey data Paola Vicard	15
Data Integration without conditional independence: a Bayesian Networks approach Pier Luigi Conti, Paola Vicard and Vincenzina Vitale	21
Mass imputation through Machine Learning techniques in presence of multi-source data Fabrizio De Fausti, Marco Di Zio, Romina Filippini and Simona Toti	27
<a href="#">Machine learning: different uses and perspectives</a>	
Evaluation of pollution containment policies in the US and the role of machine learning algorithms Marco Di Cataldo, Margherita Gerolimetto, Stefano Magrini and Alessandro Spiganti	32

Machine Learning for Official Statistics: An Application on External Trade	n.a.
Mauro Bruno, Maria Serena Causo, Alessio Guandalini, Francesco Ortame and Silvia Russo	
Machine learning, data quality and official statistics: challenges and opportunities	n.a.
Stefano Menghinello	

### Statistical Machine Learning for environmental applications

Gaussian Processes and Deep Neural Networks for Spatial Prediction	38
Alex Cucco, Luigi Ippoliti, Nicola Pronello, Pasquale Valentini and Carlo Zaccardi	
How can we explain Random Forests in a spatial framework?	42
Natalia Golini, Luca Patelli and Xavier Barber	
Recent approaches in coupling deep learning methods with the statistical analysis of spatial point patterns	48
Jorge Mateu and Abdollah Jalilian	

### Statistical Process Monitoring for Complex Data in Industry 4.0

A Kernel-based Nonparametric Multivariate CUSUM for Location Shifts	53
Konstantinos Bourazas, Konstantinos Fokianos, Christos Panayiotou and Marios Polycarpou	
An Approach for Profile Monitoring via Mixture Regression Models	58
Davide Forcina, Antonio Lepore and Biagio Palumbo	
Anomaly Detection in Circular Data	63
Houyem Demni and Giovanni C. Porzio	

### Advances in Data Science and Statistical Learning [IMS Invited Session]

Empirical Bayes approximation of Bayesian learning: understanding a common practice	n.a.
Sonia Petrone	
Generalized Fiducial Inference on Differentiable Manifolds - a geometric perspective	n.a.
Jan Hannig	
Model-free bootstrap and conformal prediction in regression	n.a.
Dimitris Politis	

### ENBIS Session: System Maintenance, Boosting algorithms for regression, and Research Excellence

Boosting Diversity in Regression Ensembles	69
Mathias Bourel, Jairo Cugliari, Yannig Goude and Jean-Michel Poggi	
How ENBIS has contributed to the UK Universities Research Excellence Framework	71
Shirley Coleman	
Maintenance of degrading systems by dynamic programming or reinforcement learning	75
Antonio Pievatolo	

## Population Dynamics, Climate Change and Sustainability

- Climate change impacts on fertility in low- and middle-income countries: An analysis based on global sub-national data n.a.  
Côme Cheritel, Roman Hoffmann and Raya Muttarak
- Environmental Exposures and Under-5 Mortality in India: A Survival Analysis of DHS data 79  
Vinod Joseph Kannankeril Joseph
- The impact of temperature on expressed sentiment by migration status: Evidence from geo-located Twitter data 84  
Risto Conte Keivabu and Jisu Kim

## Statistical Learning for health research and omics data

- An alternative to the Dirichlet-multinomial regression model for microbiome data analysis 95  
Roberto Ascari, Sonia Migliorati and Andrea Ongaro
- Modelling ordinal response to treatment in a real-world cohort study 101  
Marco Alfò, Maria Francesca Marino and Silvia D'Elia
- On the application of the symmetric graphical lasso for paired data 105  
Saverio Ranciati and Alberto Roverato

## The Economic behaviour of Sustainability

- Airports performances and sustainable practices. An empirical study on Italian data 110  
Riccardo Gianluigi Serio, Maria Michela Dickson, Diego Giuliani and Giuseppe Espa
- Sustainability: still an undefined concept for Italians 116  
Raffaele Angelone and Andrea Marletta
- Quasi-experimental evidence on COVID-19 lockdown effects on Italian household food shopping basket composition and its sustainability 122  
Beatrice Biondi and Mario Mazzocchi

## Advances in statistical methods for complex problems

- Inferring multiple treatment effects from observational studies using confounder importance learning n.a.  
Omiros Papaspiliopoulos
- Path analysis in Ising models: an application to cyber-security risk assessment 127  
Monia Lupparelli and Giovanni M. Marchetti
- Causal Regularization n.a.  
Lucas Kania and Ernst Wit

## Explainable machine learning models

- Enhancing Markowitz model: inspection of correlations and tail covariances 133  
Gloria Polinesi

Objective and subjective dimension of economic well-being: an approach based on statistical matching	139
Daniela Marella, Vincenzina Vitale and Pierpaolo D'Urso	
Sustainable, Accurate, Fair and Explainable Machine Learning Models	n.a.
Paolo Giudici and Emanuela Raffinetti	
<b>Flexible Learning for Environmental Sustainability</b>	
Comparison of traffic flow data sources for air pollution modelling	145
Theresa Smith and Nick McCullen	
Data analysis of photogrammetry-based mapping: the sea cucumbers in the Giglio Island as a case-study	150
Gianluca Mastrantonio, Daniele Ventura, Edoardo Casoli, Arnold Rakaj, Giovanna Jona Lasinio and Alessio Pollice	
Understanding forest damage in Germany: Finding key drivers to help with future forest conversion of climate sensitive	156
Nicole Augustin, Heike Puhlmann and Simon Trust	
<b>Inequalities in higher education outcomes: learning from data</b>	
Inequalities in international students mobility	163
Kristijan Breznik, Giancarlo Ragozini and Marialuisa Restaino	
Uncovering the interplay of territorial, socioeconomic, and demographic factors in high school to university transition	169
Vincenzo Giuseppe Genova, Andrea Priulla and Martina Vittorietti	
<b>Statistical Learning of demographic and health dynamics</b>	
Estimating the impact of a vaccine mandate: the case of measles in Italy	n.a.
Chiara Chiavenna	
Leveraging deep neural networks to estimate age-specific mortality from life expectancy at birth	n.a.
Andrea Nigri	
Nowcasting Daily Population Displacement in Ukraine through Social Media Advertising Data	n.a.
Claire Dooley, Ridhi Kashyap, Douglas Leasure and Francesco Rampazzo	
<b>Challenges towards Fairness and Transparency for Data Processes, Algorithms and Decision-Support Models</b>	
Challenges on Ethics, and Privacy in AI Applications to Fintech	175
Catarina Silva, Joana Matos Dias and Bernardete Ribeiro	
Uncertainty and fairness metrics	180
Anna Gottard	

<b>Educational Data mining: methods for complex data in students' assessment</b>		
Analysis of University Grades: An IRT Model for Responses and Response Times with Censoring		186
	Michela Battauz	
Predicting high schools' students performances with registry's data: a machine learning approach		191
	Lidia Rossi, Marta Cannistrà and Tommaso Agasisti	
Using response times to identify cheaters in CAT: A simulation study		195
	Luca Bungaro, Bernard P. Veldkamp and Mariagiulia Matteucci	
<b>Spatial and Spatio-Temporal Modeling: Theory and Applications</b>		
A geostatistical investigation of the ammonia-livestock relationship in the Po Valley, Italy		200
	Paolo Maranzano, Kelly McConville , Philipp Otto and Felicetta Carillo	
Bayesian multi-species N-mixture models for large scale spatial data in community ecology		206
	Michele Peruzzi	
Minimum contrast for point processes' first-order intensity estimation		212
	Nicoletta D'Angelo and Giada Adelfio	
<b>Statistical Framework for Measuring the Sustainability of Tourism</b>		
Data validity and statistical conformity with Benford's Law: the case of tourism in Sicily		217
	Roy Cerqueti and Davide Provenzano	
Exploring the level of digitalization of the Italian museums through a multilevel ordered logit model		228
	Claudia Cappello, Sabrina Maggio and Sandra De Iaco	
Functional Partial Least-Squares via Regression Splines. An application on Italian Sustainable Development Goals data		232
	Ida Camminatiello, Rosaria Lombardo, Jean-Francois Durand and Leonardo S. Alaimo	
<b>Statistical learning for well-being analysis</b>		
Assessing multidimensional poverty of the Italian provinces during Covid-19: a small area estimation approach		238
	Mariateresa Ciommi, Chiara Gigliarano, Francesca Mariani and Gloria Polinesi	
The fuzzy set approach as statistical learning for the analysis of multidimensional well-being		244
	Gianni Betti, Federico Crescenzi, Antonella D'Agostino and Laura Neri	
What Makes a Satisfying Life? Prediction and Interpretation with Machine-Learning Algorithms		n.a.
	Conchita D'Ambrosio	



## Bayesian contributions to Statistical Learning

A Bayesian framework for early cancer screening 249  
Sally Paganin and Jeff Miller

Imputing Synthetic Pseudo Data from Aggregate Data: Development and Validation for Precision Medicine n.a.  
Cecilia Balocchi

Linear models with assumptions-free residuals: a Bayesian Nonparametric approach 254  
Filippo Ascolani and Valentina Ghidini

## Data Visualization for Smart Insights and Advanced Predictive Analytics

Applications of data visualization for industry 259  
Martina Dossi, Stefano Sangaletti, Marilena Di Bari and Federica Bruschini

Some Notes on the Use of the Circular Boxplot n.a.  
Giovanni Camillo Porzio and Davide Buttarazzi

TERRA: a smart visualization tool for international trade in goods statistics 265  
Francesco Amato, Mauro Bruno and Maria Serena Causo

## Methods for the analysis of distributional data

Clustering of Distributional Data based on LDQ transformation 271  
Gianmarco Borrata and Rosanna Verde

Dynamic learning from data streams through the combined use of probability density functions and simplicial functional principal component analysis 276  
Francesca Fortuna, Fabrizio Maturo and Tonio Di Battista

Multivariate Parametric Analysis of Distributional Data n.a.  
Paula Brito

## Migrants and Refugees in Europe: social, economic and health-related issues

Labor Market Return to Refugees' Human Capital Investment: A Natural Experiment in Sweden n.a.  
Eleonora Mussino

Social networks and loneliness among older migrants in Italy 282  
Viviana Amati, Eralba Cela and Elisa Barbiano di Belgiojoso

The Italian Decree on Security: An Analysis of the Impact on Asylum Applications 287  
Giorgio Piccitto

## Modelling and Forecasting High-dimensional time series

Adaptive combinations of tail-risk forecasts 293  
Alessandra Amendola, Vincenzo Candila, Antonio Naimoli and Giuseppe Storti

Are Monetary Policy Announcements related to Volatility Jumps? 299  
Giampiero Gallo, Demetrio Lacava and Edoardo Otranto



Regularized Estimation and Prediction of the El Nino/Southern Oscillation Cycle	n.a.
Alessandro Giovannelli and Tommaso Proietti	
<b>3 Contributed Sessions</b>	<b>305</b>
<b>Bayesian nonparametric methods</b>	
Bayesian density estimation for modeling age-at-death distribution	306
Davide Agnoletto, Tommaso Rigon and Bruno Scarpa	
Bayesian mixing distribution estimation in the Gaussian-smoothed 1-Wasserstein distance	311
Catia Scricciolo	
Bayesian nonparametric estimation of heterogeneous intrinsic dimension via product partition models	316
Francesco Denti, Antonio Di Noia and Antonietta Mira	
Bayesian nonparametric multiple change point detection for time series of compositional data	322
Edoardo Marchionni and Riccardo Corradin	
Galton-Watson process: a non parametric prior for the offspring distribution	328
Massimo Cannas, Michele Guindani and Nicola Piras	
Hierarchical processes in survival analysis	333
Riccardo Cogo, Federico Camerlenghi and Tommaso Rigon	
<b>Economics and Statistics</b>	
A regression analysis for count data to investigate the effectiveness of incentives on the adoption of 4.0 technologies	339
Stefano Bonnini and Michela Borghesi	
Statistical analysis on SDGs indicators related to environmental sustainability	344
Najada Firza, Anisa Bakiu and Dante Mazzitelli	
Empowering futures adopting a spatial convergence of opinions: a Real-Time Spatial Delphi approach	349
Yuri Calleo, Simone Di Zio and Francesco Pilla	
Stocks price forecasts using Stochastic Differential Equations: an empirical assessment	355
Dario Frisardi and Matteo Spuri	
The Added-Worker Effect within Italian Households	361
Donata Favaro and Anna Giraldo	
<b>Health statistics 1</b>	
A model for the natural history of breast cancer: application to a Norwegian screening dataset	365
Laura Bondi, Marco Bonetti and Solveig Hofvind	

Generalized Bayesian Ensemble Survival Trees: an extension to categorical variables to apply it to real data Elena Ballante	370
Joint modelling of hospitalizations and survival in Heart Failure patients: a discrete non parametric frailty approach Chiara Masci, Marta Spreafico and Francesca Ieva	375
Mobility trends in Italy during the first wave of Covid-19 pandemic: analysis on Google data Ilaria Bombelli and Daniele De Rocchi	381
Tracking attitudes towards COVID vaccines: A text mining analysis Leonardo Scarso, Marco Novelli and Francesco Saverio Violante	387
Treatment effect assessment in observational studies with multi-level treatment and outcome Federica Cugnata, Paola Vicard, Paola M.V. Rancoita, Fulvia Mecatti, Clelia Di Serio and Pier Luigi Conti	393
 <b>Indicators: composition, uses and limitations</b>	
Are European consumers willing to pay the true price for sustainable food? Luca Secondi and Mengting Yu	399
Can the reliability of composite indexes be impacted by uncertainty of individual indicators? Caterina Giusti, Stefano Marchetti and Vincenzo Mauro	406
Initial Coin Offerings and ESG: allies or enemies? Alessandro Bitetto and Paola Cerchiello	411
On the impact of intraclass correlation in the ANVUR evaluation of academic departments Giorgio Edoardo Montanari and Marco Doretti	417
Small area estimation of monetary poverty indicators with poverty lines adjusted using local price indexes Luigi Biggeri, Stefano Marchetti, Caterina Giusti, Monica Pratesi, Francesco Schirripa Spagnolo and Gaia Bertarelli	422
Smart Composite Indicators Measuring Corporate Sustainability: A Sensitivity Analysis Camilla Salvatore, Annamaria Bianchi and Silvia Biffignandi	428
 <b>Multivariate data analysis 1</b>	
A note on most powerful tests for right censored survival data Maria Veronica Vinattieri and Marco Bonetti	434
Enhancing Principal Components by a Linear Predictor: an Application to Well-Being Italian Data Laura Marcis, Maria Chiara Pagliarella and Renato Salvatore	439

Proper Bayesian Bootstrap for Bagging tree model in survival analysis with correlated data	445
Farah Naz and Elena Ballante	
ROBOUT: a multi-step methodology for conditional outlier detection	450
Matteo Farnè and Angelos Vouldis	
Robustness of the Efficient Covariate-Adaptive Design for balancing covariates in comparative experiments	456
Rosamarie Frieri, Alessandro Baldi Antognini, Maroussa Zagoraiou, and Marco Novelli	
Separation scores: a new statistical tool for scoring and ranking partially ordered data	462
Marco Fattore	
<b>Statistics in Society 1</b>	
Community detection analysis with robin on hashtag network	468
Valeria Policastro, Francesco Santelli and Giancarlo Ragozini	
Film Tourism Motivation through the lens of Trip Advisor data	474
Nicolò Biassetton, Marta Disegna, Girish Prayag and Elena Barzizza	
Life satisfaction and social activities in later life in Italy: a focus on the Internet use	480
Claudia Furlan and Silvia Meggiolaro	
Social capital endowment's role in the intergenerational transmission of education	485
Alessandra Trimarchi, Maria Gabriella Campolo and Antonino Di Pino Incognito	
Streaming Data from Social Networks to Track Political Trends	490
Emiliano del Gobbo and Barbara Cafarelli	
The scientific production on gender dysphoria: a bibliometric analysis	495
Maria Gabriella Grassia, Marina Marino, Massimo Aria, Rocco Mazza, Luca D'Aniello and Agostino Stavolo	
<b>Assessment and Education</b>	
A hierarchical modelling approach to explain differential functioning of mathematics items by student's gender	500
Clelia Cascella	
A latent variable approach to Millennials' knowledge of green finance	506
Maria Iannario, Alessandra Tanda and Claudia Tarantola	
Archetypal analysis and latent Markov models: A step-wise approach	512
Lucio Palazzo, Rosa Fabbriatore and Francesco Palumbo	
From high school to university: academic intentions and enrolment of foreign students in Italy	518
Francesca Di Patrizio, Eleonora Trappolini and Cristina Giudici	
Growth models for the progress test in Italian dentistry degree program	523
Giulio Biscardi, Leonardo Grilli, Carla Rampichini, Laura Antonucci and Corrado Crocetta	

The COVID-19 pandemic and academic E-learning: Italian students and instructors' perceptions	527
Francesco Santelli, Teresa Gentile, Davide Bizjak and Lorenzo Fattori	
Working Students and job market outcomes: Insights from the University of Florence	532
Gabriele Lombardi, Valentina Tocchioni and Alessandra Petrucci	
<b>Bayesian methods and applications 1</b>	
Analyzing RNA data with scVelo: identifiability issues and a Bayesian implementation	538
Elena Sabbioni, Enrico Bibbona, Gianluca Mastrantonio and Guido Sanguinetti	
Approximate Bayesian Computation for Probabilistic Damage Identification	544
Cecilia Viscardi, Silvia Monchetti, Luisa Collodi, Gianni Bartoli, Michele Betti, Michele Boreale and Fabio Corradi	
Estimation of scientific productivity with a hierarchical Bayesian model	550
Maura Mezzetti and Ilia Negri	
Heat waves and free-knots splines	555
Gioia Di Credico and Francesco Pauli	
The Hierarchical Beta-Bernoulli Process as Out-of-Scope Query Detector	560
Marco Dalla Pria and Silvia Montagna	
<b>Health and mortality</b>	
A novel definition of comorbidity based on the Global Burden of Diseases project weights	566
Angela Andreella, Lorenzo Monasta and Stefano Campostrini	
An Age-Period-Cohort model of gender gap in youth mortality	572
Giacomo Lanfiuti Baldi and Andrea Nigri	
Kinlessness in adult and old age across Europe	578
Marta Pittavino, Bruno Arpino and Elena Pirani	
Parameter orthogonalization for Siler mortality model	584
Claudia Di Caterina and Lucia Zanotto	
Pseudo-observations in survival analysis	590
Marta Cipriani, Alfonso Piciocchi, Valentina Arena and Marco Alfò	
Sex Gap in Cancer-Free Life Expectancy: The Association with Smoking, Obesity and Physical Inactivity	595
Alessandro Feraldi, Cristina Giudici and Nicolas Brouard	
Women's Exposure to HIV in Africa: the Role of Intimate Partner Violence	599
Micaela Arcaio and Anna Maria Parroco	

## Mixture Models

An extension of finite mixtures of latent trait analyzers for biclustering bipartite networks	605
Dalila Failli, Maria Francesca Marino and Francesca Martella	
Constrained Mixtures of Generalized Normal Distributions	611
Pierdomenico Dutillo, Alfred Kume and Stefano Antonio Gattone	
Mixture-based clustering with covariates for ordinal responses	617
Kemawadee Preedalikit, Daniel Fernández, Ivy Liuc, Louise McMillan, Marta Nai Ruscone and Roy Costilla	
Partial membership models for soft clustering of multivariate count data	623
Emiliano Seri, Thomas Brendan Murphy and Roberto Rocci	
Regression for mixture models for extremes	629
Viviana Carcaiso, Ilaria Prodocimi and Isadora Antoniano-Villalobos	
Robust matrix-variate mixtures of regressions	635
Salvatore Daniele Tomarchio and Michael P. B. Gallagher	

## Sampling methods and analysis of survey data

On the use of auxiliary information to define the sampling design for large-scale geospatial data	641
Chiara Bocci and Emilia Rocco	
Optimal joint inclusion probabilities for spatial sampling	n.a.
Giuseppe Arbia, Piero Demetrio Falorsi and Vincenzo Nardelli	
Robustness and Balance of Sampling or Experimental Designs and Mixture of Designs	647
Yves Tillé and Ejub Talovic	
Robustness Bounds for Sampling and Experimental Designs	654
Ejub Talovic and Yves Tillé	
Statistical Matching: Hotdeck or Propensity Score?	661
Elena Dalla Chiara, Marcello D'Orazio and Federico Perali	
The Italian experience on register-based statistics considering measurement, coverage and sampling errors	667
Marco Di Zio, Romina Filippini and Simona Toti	

## Space-time statistics

A Hierarchical Spatio-Temporal Model for Time-Frequency Data: An application in bioacoustic analysis	673
Hiu Ching Yip, Gianluca Mastrantonio, Enrico Bibbona, Daria Valente and Marco Gamba	
An approach to cluster time series extremes with spatial constraints	679
Alessia Benevento, Fabrizio Durante and Roberta Pappadà	
An integrated space-time model to evaluate the innovation drivers in Italy	685
Emma Bruno, Rosalia Castellano and Gennaro Punzo	

Revealing the dynamic relations between traffic and crowding using big data from mobile phone network	691
Selene Perazzini, Rodolfo Metulini and Maurizio Carpita	
SMaC: Spatial Matrix Completion method	697
Giulio Grossi, Alessandra Mattei and Georgia Papadogeorgou	
The impact of traffic flow and road signs on road accidents: an approach based on spatiotemporal point pattern analysis on linear networks	702
Andrea Gilardi and Riccardo Borgoni	
<b>Clustering and classification 1</b>	
A clustering model for flow data: an application to international student mobility	708
Cinzia Di Nuzzo and Donatella Vicari	
Contingency tables with structural zeros and discrete copulas	713
Roberto Fontana, Elisa Perrone and Fabio Rapallo	
Levels Merging in the Latent Class Model	719
Christophe Biernacki	
Model-based clustering of count processes with multiple change	725
Shuchismita Sarkar and Xuwen Zhu	
Similarity Measures and Internal Evaluation Criteria in Hierarchical Clustering of Categorical Data	729
Jana Cibulková, Zdeněk Šulc, Hana Řezanková and Jaroslav Horníček	
Spectral clustering of mixed data via association-based distance	735
Alfonso Iodice D'Enza, Francesco Palumbo and Cristina Tortora	
<b>Dynamic models and time series</b>	
A graph based convolution Neural Network approach for forecast reconciliation	741
Andrea Marcocchia and Pierpaolo Brutti	
A multivariate hidden semi-Markov model for the analysis of multiple air pollutants	747
Marco Mingione, Pierfrancesco Alaimo Di Loro, Francesco Lagona and Antonello Maruotti	
A smooth transition autoregressive model for matrix-variate time series	753
Andrea Bucci	
Dynamic network models with time-varying nodes	759
Luca Gherardini, Mauro Bernardi and Monia Lupparelli	
Time lapse analysis of nuclear calcium spiking in plant cells during symbiotic signaling	765
Ivan Sciascia, Andrea Crosino and Andrea Genre	
Two-stage weighted least squares estimator of multivariate conditional mean observation-driven time series models	770
Mirko Armillotta	

## Environmental learning and indicators

- Assessing the performance of nuclear norm-based matrix completion methods on CO<sub>2</sub> emissions data 776  
Rodolfo Metulini, Francesco Biancalani, Giorgio Gnecco and Massimo Riccaboni
- Deep Learning for smart and sustainable agriculture 782  
Amalia Vanacore, Armando Ciardiello, Annalisa Izzo, Pierdomenico Zaffino, Carolina Vecchio, Gennaro Pio Auricchio and Luigi Uccelli
- Do green transition, environmental taxes and renew-able energy promote ecological sustainability in G7 countries? Evidence from panel quantile regression 788  
Aamir Javed, Agnese Rapposelli and Asif Javed
- Doubly Robust DID for National Parks evaluation: “just” environmental benefits, or socioeconomics impacts as well? 795  
Riccardo D’Alberto, Francesco Pagliacci and Matteo Zavalloni
- On the gap between emitted and absorbed carbon dioxide. Are trees enough to save us? 801  
Lorenzo Mori and Maria Rosaria Ferrante
- Small scale analysis of energy vulnerability in the municipality of Palermo 806  
Giuliana La Mantia

## Health statistics 2

- A test for non-differential misclassification error in database epidemiological studies 812  
Giorgio Limoncella, Leonardo Grilli, Emanuela Dreassi, Carla Rampichini, Robert Platt and Rosa Gini
- Is the COVID-19 ‘color code’ of Italian regions subjected to political manipulation? 816  
Giovanni Busetta and Fabio Fiorillo
- Modelling multilevel ordinal response under endogeneity: application to DTC patients’ outcome 822  
Silvia D’Elia
- Monitoring drugs-based diagnostic therapeutic paths in heart failure patients using state-sequence analysis techniques 827  
Nicole Fontana, Laura Savaré and Francesca Ieva
- Optimal two-stage design based on error rates under a Bayesian perspective 833  
Susanna Gentile and Valeria Sambucini

## Migrants in Italy and return migration

- Comparing migrant and “native” Italian adolescents in risky behaviours from FSS and SHARE Corona surveys n.a.  
Daniela Foresta
- EU-Border crisis on Twitter: sentiments and misinformation analysis 839  
Elena Ambrosetti, Cecilia Fortunato and Sara Miccoli



Graduates' interregional migration in times of crisis: the Italian case Thaís García-Pereiro, Ivano Dileo and Anna Paterno	843
Intentions to stay: The experience of return migrants in Albania Maria Carella, Thaís García-Pereiro, Roberta Pace and Anna Paterno	848
Return migration to home country: a systematic literature review with text mining and topic modelling Cecilia Fortunato, Andrea Iacobucci and Elena Ambrosetti	853
The allocation of time within native and foreign couples living in Italy Giovanni Busetta, Maria Gabriella Campolo and Antonino Di Pino Incognito	860
Ειλεΐθυια comes from afar: The foreigners' contribution to fertility by Italian provinces Eleonora Miaci, Cristina Giudici, Eleonora Trappolini, Marina Attili, Cinzia Castagnaro and Antonella Guarneri	866
 <b>Sustainability assessment</b>	
ESG, sustainability and stock market risk Michele Costa	871
Exploring the effect of consumer motivation and perception of sustainability on food choices with a Discrete Choice Experiment Gloria Solano-Hermosilla, Jesus Barreiro-Hurle and Iliaria Amerise	875
Sustainability explained by ChatGPT artificial intelligence in a HITL perspective: innovative approaches Vito Santarcangelo, Angelo Lamacchia, Emilio Massa, Saverio Gianluca Crisafulli, Massimiliano Giacalone and Vincenzo Basile	881
Measuring economic and ecological efficiency of urban waste systems in Italy: a comparison of SFA and DEA techniques Massimo Gastaldi, Ginevra Virginia Lombardi, Agnese Rapposelli and Giulia Romano	887
Profile based latent distance association analysis for sparse tables. Application to the attitude of EU citizens towards sustainable tourism Francesca Bassi, José Fernando Vera and Juan Antonio Marmolejo Martin	893
Sustainable tourism: a survey on the propensity towards eco-friendly accommodations Claudia Furlan and Giovanni Finocchiaro	899
 <b>Bayesian methods and applications 2</b>	
A comparison of computational approaches for posterior inference in Bayesian Poisson regression Laura D'Angelo	903
Bias-reduction methods for Poisson regression models Luca Presicce, Tommaso Rigon and Emanuele Aliverti	908
Finite Mixture Model for Multiple Sample Data Alessandro Colombi, Raffaele Argiento, Federico Camerlenghi and Lucia Paci	913

On Bayesian power analysis in reliability	918
Fulvio De Santis, Stefania Gubbiotti and Francesco Mariani	
Power priors elicitation through Bayes factors	923
Roberto Macri Demartino, Leonardo Egidi and Nicola Torelli	
Predictive Bayes factors	929
Leonardo Egidi and Ioannis Ntzoufras	
<b>Clustering and classification 2</b>	
A Clusterwise Regression Method for Distributional-Valued Data	935
Antonio Balzanella, Rosanna Verde and Francisco de A.T. de Carvalho	
A novel statistical-significance based semi-parametric GLMM for clustering countries standing on their innumeracy levels	939
Alessandra Ragni, Chiara Masci, Francesca Ieva and Anna Maria Paganoni	
Introducing a novel directional distribution depth function for supervised classification	945
Edoardo Redivo and Cinzia Viroli	
Clustering alternatives in the preference-approval context	950
Alessandro Albano, José Luis Garcia-Lapresta , Mariangela Sciandra and Antonella Plaia	
Computational assessment of k-means clustering on a Structural Equation Model based index	955
Mariaelena Bottazzi Schenone, Elena Grimaccia and Maurizio Vichi	
Handling missing data in complex phenomena: an ultrametric model-based approach for clustering	961
Francesca Greselin and Giorgia Zaccaria	
<b>Economics and labour markets</b>	
A multivariate ranking analysis on the employability of young adults	967
Rosa Arboretti, Elena Barzizza, Nicolo Biasetton, Riccardo Ceccato, Monica Fedeli and Concetta Tino	
Analysis of the Gender Pay Gap in the Italian Labour Market	973
Giulia Cappelletti and Daniele Toninelli	
Evaluating the effect of home-based working employing causal Bayesian networks and potential outcomes	979
Lorenzo Giammei	
Patterns of flexible employment careers. Does measurement error matter?	985
Mauricio Garnier-Villarreal, Dimitris Pavlopoulos and Roberta Varriale	
Staying or leaving? A nonlinear framework to explore the role of employee well-being on retention	991
Ulpiani Kocollari, Fabio Demaria and Maddalena Cavicchioli	
The CAP instruments impact on GVA and employment: a multivalued treatment approach	997
Montezuma Dumangane and Marzia Freo	

The determinants of leaving the parental home in Italy: 2012-18 Ilaria Rocco and Gianpiero Dalla Zuanna	1003
<b>Environmental modeling</b>	
A Bayesian weather-driven spatio-temporal model for PM10 in Lombardy Michela Frigeri, Alessandra Guglielmi and Giovanni Lonati	1109
A preliminary study on shape descriptors for the characterization of microplastics ingested by fish Greta Panunzi, Tommaso Valente, Marco Matiddi and Giovanna Jona Lasinio	1015
Artificial neural network in predicting odour concentrations: a case study Veronica Distefano and Gideon Mazuruse	1021
Bayesian analysis of PM10 concentration by spatio-temporal ARIMA and STS models Michela Frigeri and Ilenia Epifani	1026
Functional ANOVA to monitor yearly Adriatic sea temperature variations Annalina Sarra, Adelia Evangelista, Tonio Di Battista and Nicola Di Deo	1032
New perspectives in the measurement of biodiversity Linda Altieri, Daniela Cocchi and Massimo Ventrucci	1038
<b>Multivariate data analysis 2</b>	
Feature Selection via anomaly detection autoencoders in radiogenomics studies  Alessia Mapelli, Michela Carlotta Massi, Nicola Rares Franco, Francesca Ieva, Catharine West, Petra Seibold, Jenny Chang-Claude and the REQUITE and RADprecise Consortia	1044
Further considerations on the Spectral Information Criterion Luca Martino	1050
How to increase the power of the test in sparse contingency tables: a simulation study Federica Nicolussi and Manuela Cazzaro	1057
Latent event history models for quasi-reaction systems Matteo Framba, Veronica Vinciotti and Ernst Wit	1063
Quantile-based graphical models for continuous and discrete variables Luca Merlo, Marco Geraci and Lea Petrella	1069
The logratio Student t distribution Gianna Monti and Gloria Mateu-Figueras	1075
<b>Statistics in Society 2</b>	
A decomposition of the changes in tourism demand in Tuscany over the 2019-2021 period Mauro Mussini	1079
Bayesian networks as a territorial gender impact assessment tool Flaminia Musella, Lorenzo Giammei, Fulvia Mecatti and Paola Vicar	1084

Can statistics be helpful in detecting electoral fraud? Massimo Attanasio, Vincenzo G. Genova and Michele Tumminello	1088
Companies' sustainability disclosure and contrast to hunger: the role of social inclusion Chiara Di Maria and Rodolfo Damiano	1093
Passing network-based performance indicator in football: evidence from UEFA Champions League 2016-2017 Riccardo Ievoli, Lucio Palazzo and Giancarlo Ragozini	1099
Topic Modeling for the travel and tourism industry: classical and innovative methods compared Fabrizio Di Mari	1105
<b>Bayesian methods and applications 3</b>	
An Importance Sampling Algorithm For Bayesian Logistic Regression with Independent Gaussian Scale Mixture Prior Paolo Onorati and Brunero Liseo	1111
Bayesian analysis of Amazon's best-selling books via finite nested mixture model Laura D'Angelo and Francesco Denti	1117
Binomial Extended Stochastic Block Model for Brain Networks Valentina Ghidini, Sirio Legramanti and Raffaele Argiento	1121
Detecting latent spatial patterns in mass spectrometry brain imaging data via Bayesian mixtures Giulia Capitoli, Simone Colombara, Alessia Cotroneo, Francesco De Caro, Riccardo Morandi, Chiara Schembri, Alfredo G. Zapiola and Francesco Denti	1127
Efficient expectation propagation for high-dimensional probit models Augusto Fasano, Niccolò Anceschi, Beatrice Franzolini and Giovanni Rebaudo	1133
Model-based clustering of non-stationary time series with common historical change times Riccardo Corradin, Luca Danese, Wasiur KhudaBukhsh and Andrea Ongaro	1139
<b>Functional Data Analysis</b>	
A functional Ground Motion Model for Italy built with a weighted analysis of reconstructed seismic curves Teresa Bortolotti, Riccardo Peli, Giovanni Lanzano, Sara Sgobba and Alessandra Menafoglio	1145
Conditional Gaussian Graphical Models for Functional Variables with Partial Separable Operators Rita Fici, Gianluca Sottile and Luigi Augugliaro	1149
Does the Inflation Factor need tuning? Simulation-based adjustment for Outlier Detection via the Functional Boxplot Annachiara Rossi, Andrea Cappozzo and Francesca Ieva	1155
Functional Graphical Models to map Brexit debate on Twitter Nicola Pronello, Emiliano del Gobbo, Lara Fontanella, Rosaria Ignaccolo, Luigi Ippoliti and Sara Fontanella	1160

Measuring Dependence in Multivariate Functional Datasets Francesca Ieva, Michael Ronzulli and Anna Maria Paganoni	1166
Robust Statistical Process Monitoring of Multivariate Functional Data Christian Capezza, Fabio Centofanti, Antonio Lepore and Biagio Palumbo	1173
The effects of mobility restrictions on public health: a functional data analysis for Italy over the years 2020 and 2021 Veronica Mazzola, Giovanni Bonaccorsi, Piercesare Secchi and Francesca Ieva	1179
<b>Machine Learning and text mining</b>	
A vocabulary-based approach for risk detection in textual annotations of contracts of public procurement Giulio Giacomo Cantone, Simone Del Sarto and Michela Gnaldi	1185
Explainable Machine Learning based on Group Equivariant Non-Expansive Operators (GENEOs). Protein pocket detection: a case study Giovanni Bocchi, Alessandra Micheletti, Patrizio Frosini, Alessandro Pedretti, Andrea R. Beccari, Filippo Lunghini, Carmine Talarico and Carmen Gratteri	1191
Hedging global currency risk with factorial machine learning models Paolo Pagnottoni and Alessandro Spelta	1197
InstanceSHAP: An instance-based estimation approach for Shapley values Golnoosh Babaei and Paolo Giudici	1203
Networks & Nature Based Solutions: an application for Milan hydric resources Alessia Forciniti and Emma Zavarrone	1209
The Roe v. Wade sentence: an analysis of tweets trough Symmetric Non-Negative Matrix Factorization Maria Gabriella Grassia, Marina Marino, Rocco Mazza and Agostino Stavolo	1215
<b>Multivariate data analysis 3</b>	
A comparison of different techniques for handling missing covariate values in propensity score methods Anna Zanovello, Alessandra R. Brazzale and Omar Paccagnella	1219
A New Penalized Estimator for Sparse Inference in Gaussian Graphical Models: An Adaptive Non-Convex Approach Daniele Cuntrera, Vito M.R. Muggeo and Luigi Augugliaro	1224
A tool for assessing weak identifiability of statistical models Antonio Di Noia, Francesco Denti and Antonietta Mira	1230
Computing Highest Density Regions with Copulae Nina Deliu and Brunero Liseo	1235
Parameter estimation via Indirect Inference for multivariate Wrapped Normal distributions Francesca Labanca and Anna Gottard	1241

Sequential marginal likelihood selection for the estimation of sparse correlation matrices	1246
Claudia Di Caterina and Davide Ferrari	
<b>Nonparametric statistical methods</b>	
A Comparison of Distribution-Free Control Charts	1252
Michele Scagliarini	
Characterizing Heterogeneity of Causal Effects in Air Pollution in Florida	1257
Dafne Zorzetto	
Comparing three robust procedures for CANDECOMP/PARAFAC estimation	1262
Valentin Todorov, Violetta Simonacci, Michele Gallo and Nikolay Trendafilov	
How active is a genetic pathway? Comparative analysis of post-hoc permutation-based methods	1268
Anna Vesely and Angela Andreella	
Non Parametric Combination methodology: a literature review on recent developments	1274
Elena Barzizza, Nicolò Biasetton and Riccardo Ceccato	
<b>Regression modeling</b>	
A Quantile Regression Model to Evaluate the Performance of the Italian Courts of Law	1280
Carlo Cusatelli, Massimiliano Giacalone and Eugenia Nissi	
A variable selection procedure based on predictive ability: a preliminary study on logistic regression	1285
Rosaria Simone and Mariarosaria Coppola	
Comparison of binary regressions with asymmetric link function for imbalanced data	1291
Michele La Rocca, Marcella Niglio and Marialuisa Restaino	
New advances in Regression Forests	1297
Mila Andreani, Lea Petrella and Nicola Salvati	
On the Optimal Non-Convexity of Penalty in Sparse Regression Models	1303
Daniele Cuntreza, Vito M.R. Muggeo and Luigi Augugliaro	
Using expectile regression with latent variables for digital assets	1309
Beatrice Foroni, Luca Merlo and Lea Petrella	
<b>4 Program</b>	<b>1315</b>

# Preface



This book includes the contributions presented at the Intermediate Meeting of the Italian Statistical Society (SIS) "SIS 2023 - Statistical Learning, Sustainability and Impact Evolution" held in Ancona at the Università Politecnica delle Marche, from June 21th to 23th of 2023.

The new challenges of digitalization, innovation and sustainability are showing the crucial role of data-driven approaches in supporting decision-making processes. Methodologies resulting from the integration of different know-how seem to be a reliable way to deal with the increasing need to measure the impact of the policies and to forecast scenarios. This meeting welcomed any attempt to face new challenges.

The conference registered more than 250 presentations, including 3 keynote speakers in 3 plenary sessions and 72 presentations in 24 invited sessions, all dealing with specific themes in methodological and/or applied statistics and demography. Furthermore, more than 180 contributions, with one or more authors, have been spontaneously submitted to the Program Committee and arranged in 30 contributed sessions.

The numerous participation of researchers in the conference shows how the challenges of sustainability, in its broadest sense, are of interest to both methodological and applied statistics.

With the publication of this book, we wish to offer to all members of the Italian Statistical Society, all international academics, researchers, Ph.D. students, and all interested practitioners, a good snapshot of the on-going research in the statistical and demographic fields.

We aim to provide all members of the Italian Statistical Society - as well as international academics, researchers, Ph.D. students, and interested practitioners - with a comprehensive overview of the ongoing research in the fields of statistics and demography.

We extend our heartfelt gratitude to all the contributors for submitting their works to the conference and to the researchers for their outstanding job in serving as referees and discussants with precision and timeliness.

A special appreciation goes to the Scientific and Organizational Committees for their tremendous efforts in managing all the organizational aspects, as well as to the Università Politecnica delle Marche and the Department of Economic and Social Science for making this event possible.

Finally, we wish to express our gratitude to the publisher Pearson Italia for all the support received.

# A latent variable approach to Millennials' knowledge of green finance

Maria Iannario<sup>a</sup>, Alessandra Tanda<sup>b</sup>, and Claudia Tarantola<sup>b</sup>

<sup>a</sup>Via L. Rodinò, 22, Naples, University of Naples Federico II; maria.iannario@unina.it

<sup>b</sup>Via San Felice, 5, Pavia, University of Pavia; alessandra.tanda@unipv.it,  
claudia.tarantola@unipv.it

## Abstract

In this paper, we consider a latent variable model for Millennials' knowledge of green finance. We draw inspiration from a survey conducted last year among students at Italian universities, as part of the COST project 'Fintech and Artificial Intelligence in Finance'. In the analysis, we consider a cumulative link model that accounts for heterogeneity in the response process. The model presented is discussed in a Bayesian framework.

**Keywords:** Heterogeneity of variance, MCMC, *numeracy*, ordinal responses, scale effects

## 1. Introduction

In the latest years, the attention devoted to climate change consequences has grown considerably together with the awareness on the need to pursue more sustainable growth and perform a transition to greener economies (16). The interest in this topic comes from many directions. Companies adopt greener practices to reduce their environmental impact to attract investors and reduce their cost of funding, also for reputational concerns, see (23) and (30) among others. Investors place a lot of emphasis on ESG performance in their investment decisions in order to drive economic growth according to their values and to achieve long-term sustainable performance; see e.g. (8), (10) and (29). Policymakers developed guidelines and action plans to promote sustainable growth and manage the risks of climate change, accompanying companies to the transition (15); (13); (27); and, in addition, civil society has become more aware and attentive to sustainability and to the impact of their choices as citizens.

Among consumers and potential investors, Millennials find themselves in the position to effectively contribute to greener growth, through their purchase and investment choices. Millennials are individuals born between 1980 and 2000 (26); they generally show a strong sensitivity towards sustainability (4) and different risk attitudes and investment habits than the older generations (3). However, as the literature shows, this focus on sustainability issues does not always translate into more sustainable purchasing (4; 25). The authors of (25) claim that the sustainable behaviour of Millennials depends on their specific characteristics, including their ecological knowledge or *eco-literacy* (20).

Starting from these findings rooted in the managerial and consumers' behaviour literature, we extend the idea to the financial sphere of decisions. As the availability of funds is crucial to the transition and to the development of a greener economic system (15), it is important that savings are redirected towards those activities that are able to pursue a more balanced and inclusive growth, also contributing to the achievement of the Sustainable Development Goals (SDGs), issued by the UN (see <https://sdgs.un.org>). Globally, Millennials are estimated to have contributed to a surge in the amount invested in ESG funds (24).

Nevertheless, their contribution may currently be hampered by a low level of knowledge in finance and, specifically, ‘green finance’. The level of financial knowledge and education among households remains very low, especially among the young investors. Bank of Italy reports that in 2020 the average level of financial literacy in Italy was 11.2 (out of 21); see (11) and (14). Additionally, young people (less than 35 years old in the survey) show a lower level of financial literacy than their older peers. Young people scored less than the average, especially for the component ‘financial attitude’ that investigates the ability to plan financial decisions from a long-term perspective. In an international comparison, Italy scores poorly compared to other countries and this further underlines the critical situation of the young Italian generation in terms of financial literacy. Furthermore, the Edufin Committee provides evidence on the lack of knowledge of sustainability in finance and ‘green finance’ in Italy (14), reporting that around 40% of the surveyed population has never heard the word ‘ESG’ and 1/5 never heard about ‘sustainable finance’. Similarly, Millennials perform slightly better for ESG, with about 35% having never heard of ‘ESG’; 26% have never heard of ‘sustainable finance’. To foster Millennials’ participation as investors in the transition to sustainable growth, it is necessary to understand the factors that determine their knowledge and behaviour.

Based on the previous considerations, this paper addresses the assessment of the degree of knowledge of ‘green finance’ by Millennials and the factors that determine this outcome. We examine a set of data collected via a survey distributed among students at Italy’s largest university. The aim of the survey was to evaluate students’ financial literacy. To assess their knowledge, respondents reported scores to items on ordinal rating scales. The observed score can be considered as a discretization of an underlying unobserved (latent) continuous variable, with every possible score for the ordinal response corresponding to an interval of the latent variable. The analysis presented here has been performed by means of a latent trait model accounting for heterogeneity in the response process (22). We work in a Bayesian framework, gaining flexibility in specifying the model and enhancing richness and accuracy in providing parameter estimates, see (17) for an application in a student evaluation context. A further advantage of the Bayesian setup is the possibility to use the same framework and approach even if the sample size is small (as in the examined case). For a general discussion of the advantages of the use of a Bayesian approach for ordinal data see, e.g. (21) and references therein. For some milestones regarding Bayesian approach in the context of ordinal data see (1), (2), (12), (18) and (19).

To the best of our knowledge, no previous study investigates the degree of awareness of the existence of ‘green finance’ among Millennials and whether this knowledge depends on their specific characteristics and aptitudes, such as numeracy.

The paper is organized as follows. The next section provides a brief description of the considered latent trait model in its location-scale version. Section 3. introduces the examined survey data and presents the Bayesian estimates of the examined model. Section 4. presents some preliminary findings deriving from the Bayesian analysis of the examined model.

## 2. Latent trait model description

Let  $(x_i, y_i), i = 1, \dots, n$ ; be a data set of size  $n$ , where the covariates  $x_i$ ’s are assumed to be non-stochastic in  $R^p$ . The  $i$ -th measurement  $y_i$  is the realization of a random variable  $Y \sim G(y)$  conditioned on  $x_i$ . Variable  $Y$  takes values in the finite set  $\chi = \{1, \dots, k\}$ . Following (22), we assume that there exists an unobserved latent random variable  $Y_i^*$  such that when  $\alpha_{j-1} < Y_i^* \leq \alpha_j$ , then  $Y_i = j, j \in \chi$ . Here  $-\infty = \alpha_0 < \alpha_1 < \dots < \alpha_k = +\infty$  are the thresholds in the continuous support of the latent variable  $Y^*$ .

The  $i$ -th rating of  $Y^*$  linearly depends on  $p \geq 1$  covariate(s) through  $x_i$  as  $Y_i^* = x_i \beta + \sigma_i \epsilon_i$ ,  $i = 1, 2, \dots, n$ , where  $\beta = (\beta_1, \dots, \beta_p)'$  are the covariates coefficients. In the latent regression  $\sigma_i$  is the standard deviation of the noise variable  $\epsilon \sim F_\epsilon(\cdot)$ , which may depend on covariates yielding  $\sigma_i = \exp(z_i \gamma)$ . Here  $z_i$  is a row vector of the matrix  $Z$  which includes all the  $q \geq 1$  relevant covariates and  $\gamma = (\gamma_1, \dots, \gamma_q)'$  are the related covariates coefficients.

The probability mass function of  $Y_i$ , for  $j = 1, 2, \dots, k$ , can be expressed as

$$\begin{aligned} Pr(Y_i = j \mid \boldsymbol{\theta}, \mathbf{x}) &= Pr(\alpha_{j-1} < Y_i^* \leq \alpha_j) \\ &= F_\epsilon[(\alpha_j - \mathbf{x}_i\boldsymbol{\beta})/\sigma_i] - F_\epsilon[(\alpha_{j-1} - \mathbf{x}_i\boldsymbol{\beta})/\sigma_i]. \end{aligned}$$

Among the alternative choices for  $F_\epsilon(\cdot)$  we focus on the logit link function for robustness properties.

Since we do not have relevant prior information, following the approach proposed by (6) and (7), we use non-informative priors on all parameters of interest, letting the data guide the behavior of the posterior distributions. More precisely on the covariate coefficients we assign improper uniform priors,  $unif(-\infty, +\infty)$ , while on the thresholds we consider Student- $t$  priors with 3 degrees of freedom. This ensures that the tails are wide, while the distribution is still proper with finite mean and variance (here set –without loss of generality– equal to 0 and 2.5 respectively). In order to obtain posterior samples we rely on Markov Chain Monte Carlo (MCMC) method. In particular, we use R package `brms` (6), which implements a Hamiltonian MCMC using Stan (5). The ordering of the intercepts is ensured via the `order class` in Stan. More precisely the joint prior distribution is truncated to support over points satisfying the ordering constraints.

### 3. Data

The data come from the survey on ‘Knowledge and Use of Fintech Products’ administered as part of the European project CA19130 Fintech and Artificial intelligence in Finance. The sample consists of 385 Italian Millennials, of whom 0.511 are women, 0.563 are from Southern Italy, 0.210 are studying economics at university. The distribution of the dependent variable on the level of knowledge of green finance (ranging from 0 =I don’t know to 5 =I know it perfectly) is in Figure 1.

Among the *numeracy* variables considered are the self-assessment of how good the respondent perceives himself/herself to be with fractions (0.388 Millennials give a good rating) and the correct answers to the Berlin numerical test (multiple-choice format) (9) in which the respondents who correctly formulated all answers to the four questions are indicated by *top* (0.035 respondents). Difficulties with financial language and stress in relation to financial decisions are expressed by 0.703 and 0.696 of the respondents, respectively.

The Bayesian estimates of the location and scale parameters are reported in Table 1 (posterior mean, MCMC Standard Error and 95% credible intervals). Standard convergence diagnostics have been considered. Possible interactions among covariates were tested, but they were related to not statistically significant parameters.

We run in parallel 4 chains of 2000 iteration with a burnin period of 1000 iteration each. The Bayesian estimate of the standard deviation is obtained from the posterior samples of log-disc (log-discrimination) with disc corresponding to the inverse of the standard deviation. More precisely, for every iteration  $t$ ,  $t = 1, 2, \dots, T$ , we transformed  $\log(\text{disc})^t$  to  $sd^t$  with  $sd^t = 1/\exp(\log(\text{disc}))$ ; the Bayesian estimates of  $sd$  is then obtained as the average of all  $sd^t$ .

### 4. Preliminary results

Preliminary results show that the knowledge of ‘sustainable finance’ or ‘green finance’ is associated with a set of financial education items and *numeracy*. We also observe that knowledge of Fintech innovations, such as Crowdfunding, Roboadvisor and advanced technologies (AI) is associated with knowledge of ‘green finance’. These two elements, financial technology, and sustainability are, in fact, often coupled together by policymakers to foster more inclusive growth. It is therefore not surprising that Millennials who are more attentive to Fintech innovations are also more aware of green finance issues.

In addition, Millennials attending university courses in the field of economics have a greater knowledge of green finance. This could be due to the inclusion of ESG and sustainability topics in courses

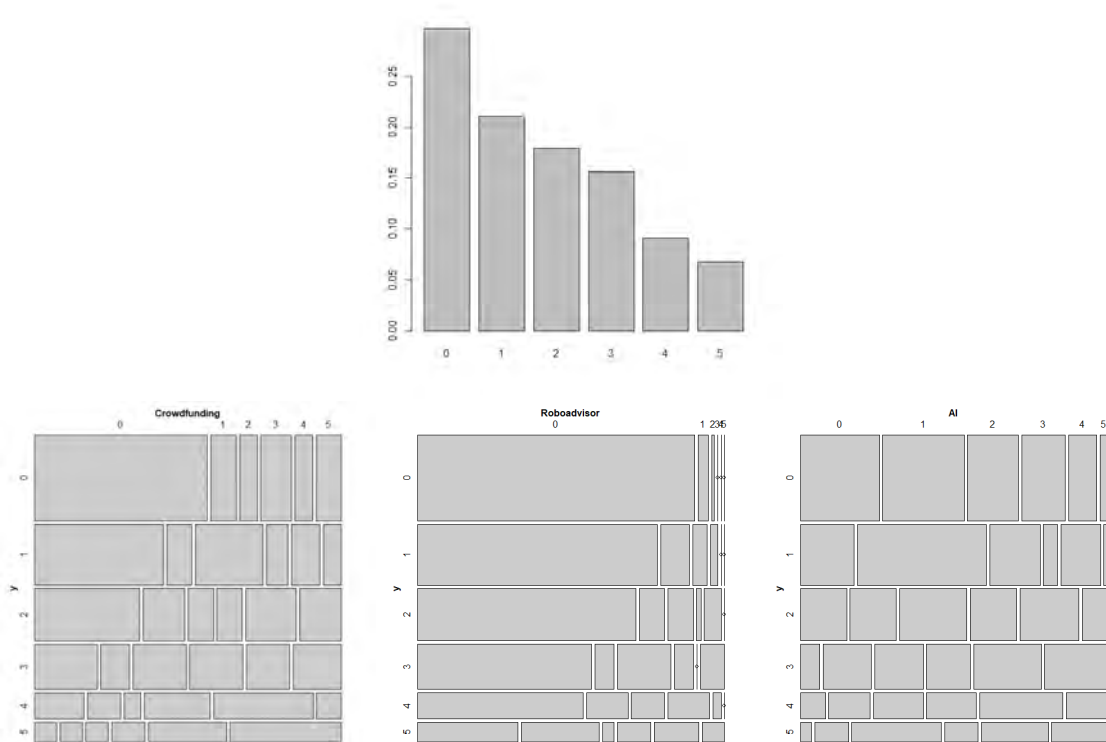


Figure 1: First row: Frequency distribution of the ordinal variable. Second row: Mosaic plot for the dependent variable vs Crowdfunding (first), Roboadvisor (second), and Artificial Intelligence - AI (third).

taken by university students in the field of finance. Numerical skills provide two seemingly counterintuitive results. Those who have a better ability to use fractions have a greater knowledge of ‘green finance’. But the better performers in the Berlin numeracy test have less knowledge of our variable of interest  $Y$ .

*Numeracy* is a strong component of financial education and a basic skill for taking good financial decisions (28). However, in the field of ‘green finance’, this does not seem to be enough. In our analysis, the Millennials who score highest on *numeracy* tests have the least knowledge of green finance. This result may be determined by those Millennials studying in a STEM degree programme, who have excellent numerical skills, but have not yet encountered the topic of ‘green finance’. We then evaluate the effect of financial knowledge in terms of familiarity with financial language and decisions.

Respondents who find financial language more difficult are also less knowledgeable about ‘green finance’. At the same time, those who are more stressed when making financial decisions are more familiar with green finance. This could be due to the fact that stressed people might learn more before making decisions and, by doing so, become more aware of the different instruments available in the financial markets. This aspect probably deserves further investigation.

Our results are relevant for policy makers and for the design of future financial education initiatives. Further efforts should be devoted to increasing awareness of these key sustainability issues, along with general financial knowledge and *numeracy*.

**Acknowledgments** This work acknowledges research support by COST Action CA19130 ‘Fintech and Artificial Intelligence in Finance - Towards a transparent financial industry’ (FinAI), supported by COST (European Cooperation in Science and Technology).

Table 1: Bayesian estimation for the location-scale model; i.e., posterior mean estimates, standard deviations and 95% Credible Intervals (CI) for its parameters

	Estimate(Sd)	l-95% CI	u-95% CI
$\hat{\alpha}_1$	0.80(0.97)	-0.97	2.92
$\hat{\alpha}_2$	5.72(1.62)	3.10	9.56
$\hat{\alpha}_3$	10.20(2.47)	6.20	15.73
$\hat{\alpha}_4$	15.64(3.61)	9.83	23.70
$\hat{\alpha}_5$	21.86(5.10)	13.78	33.36
<i>Crowdfunding</i>	1.00(0.32)	0.47	1.68
<i>Roboadvisor</i>	1.54(0.52)	0.62	2.69
<i>AI</i>	0.92(0.35)	0.33	1.72
<i>economics</i>	2.82(1.19)	0.72	5.33
<i>fractions</i>	0.99(0.34)	0.44	1.74
<i>top</i>	-6.26(2.90)	-12.62	-1.36
<i>financial-language</i>	-1.47(0.47)	-2.51	-0.69
<i>stress-fin</i>	0.90(0.42)	0.19	1.79
<i>log_disc_info</i>	1.23(0.06)	1.11	1.35
<i>log_disc_fractions</i>	1.13(0.04)	1.05	1.22
<i>log_disc_sud</i>	1.26(0.15)	0.99	1.57

## References

- [1] Albert, J. H. and Chib, S.: Bayesian Analysis of Binary and Polychotomous Response Data. *JASA*, **88**, 422, 669–679 (1993)
- [2] Albert, J. and Chib, S.: Bayesian methods for cumulative, sequential and two step ordinal data regression models. Technical report (1997)
- [3] Beck, J. J., Garris III, R. O.: Managing personal finance literacy in the United States: A case study. *Educ. Sci.*, **9**, 129 (2019)
- [4] Bernardes, J. P., Ferreira, F., Marques, A. D., Nogueira, M.: Millennials: is ‘green’ your colour?. In *IOP Conference Series: Materials Science and Engineering* (Vol. 459, No. 1, p. 012090). IOP Publishing (2018)
- [5] Betancourt, M., and Girolami, M.: Hamiltonian Monte Carlo for Hierarchical Models. arXiv 1312.0906. <http://arxiv.org/abs/1312.0906> (2013)
- [6] Bürkner, P.: brms: An R Package for Bayesian Multilevel Models Using Stan. *J. Stat. Softw.*, **80**, 1–28 (2017)
- [7] Bürkner, P., Vuorre M.: Ordinal Regression Models in Psychology: A Tutorial. *AMPPS*, **2**, 77-101 (2019)
- [8] Chauhan, Y., Kumar, S. B.: Do investors value the nonfinancial disclosure in emerging markets?. *Emerg. Mark. Rev.*, **37**, 32-46 (2018)
- [9] Cokely, E. T., Galesic, M., Schulz, E., Ghazal, S., Garcia-Retamero, R.: Measuring risk literacy: The Berlin Numeracy Test. *JDM*, **7**, 25-47 (2012).
- [10] Cornell, B. ESG preferences, risk and return. *Eur. Financial Manag.*, **27**, 12-19 (2021)
- [11] D’Alessio, G., De Bonis, R., Neri, A., Rampazzi, C.: Financial literacy in Italy: The results of the Bank of Italy’s 2020 survey. *Politica economica*, **37**, 215-252 (2021)
- [12] Dellaportas, P. Smith, A.F.M.: Bayesian Inference for Generalized Linear and Proportional Hazards Models via Gibbs Sampling. *JRSS C*, **42**, 443-459 (1993)
- [13] ECB: Climate-related risk and financial stability. July 2021. Available at [https://www.ecb.europa.eu/pub/pdf/other/ecb.climateriskfinancialstability202107\\_87822fae81.en.pdf](https://www.ecb.europa.eu/pub/pdf/other/ecb.climateriskfinancialstability202107_87822fae81.en.pdf)
- [14] Edufin: Rapporto Edufin 2021. Available at [https://www.quellocheconta.gov.it/it/news-eventi/rassegna/Rassegna-Stampa/news\\_138.html](https://www.quellocheconta.gov.it/it/news-eventi/rassegna/Rassegna-Stampa/news_138.html)
- [15] European Commission: The European Green Deal, COM(2019) 640 final, 11 December. [https://ec.europa.eu/info/sites/info/files/european-green-deal-communication\\_en.pdf](https://ec.europa.eu/info/sites/info/files/european-green-deal-communication_en.pdf).

- [16] Hafner, S., Jones, A., Anger-Kraavi, A., Pohl, J.: Closing the green finance gap. A systems perspective. *Environ. Innov. Soc. Transit.*, **34**, 26-60 (2020)
- [17] Iannario, M., Kateri, M., Tarantola, C.: Modelling scale effects in rating data: a Bayesian approach. Manuscript (2023)
- [18] Johnson, V. E.: On Bayesian analysis of multirater ordinal data: An application to automated essay grading. *JASA*, 91, 42-51 (1996)
- [19] Johnson V.E., Albert J.H.: *Ordinal Data Modeling*. Springer-Verlag, New York (1999)
- [20] Kanchanapibul, M., Lacka, E., Wang, X., Chan, H. K.: An empirical investigation of green purchase behaviour among the young generation. *J. Clean. Prod.*, **66**, 528-536 (2014)
- [21] Liddell, T. M., Kruschke, J.K.: Analyzing ordinal data with metric models: What could possibly go wrong? *J. Exp. Soc. Psychol.*, **79**, 328–348 (2018)
- [22] McCullagh, P.: Regression models for ordinal data (with discussion). *J. R. Stat. Soc. B*, **42**, 109–142 (1980)
- [23] Miroshnychenko, I., Barontini, R., Testa, F.: Green practices and financial performance: A global outlook. *J. Clean. Prod.*, bf147, 340-351 (2017)
- [24] MSCI: Swipe to invest: the story behind millennials and ESG investing. (2020) Available at <https://www.msci.com/documents/10199/07e7a7d3-59c3-4d0b-b0b5-029e8fd3974b>
- [25] Naderi, I., Van Steenburg, E.: Me first, then the environment: Young Millennials as green consumers. *Young Consumers* (2018)
- [26] Ng, E. S., Schweitzer, L., and Lyons, S. T.: New generation, great expectations: A field study of the millennial generation. *JBP*, **25**, 281-292 (2010)
- [27] OECD: *Financial Markets and Climate Transition: Opportunities, Challenges and Policy Implications*, OECD Paris, (2021) <https://www.oecd.org/finance/Financial-Markets-and-ClimateTransition-Opportunities-challenges-and-policy-implications.htm>
- [28] Sunderaraman, P., Barker, M., Chapman, S., Cosentino, S.: Assessing numerical reasoning provides insight into financial literacy. *Appl. Neuropsychol. Adult*, **29**, 710-717 (2022)
- [29] Van Duuren, E., Plantinga, A., Scholtens, B.: ESG integration and the investment management process: Fundamental investing reinvented. *J. Bus. Ethics*, **138**, 525-533 (2016)
- [30] Yu, E. P. Y., Tanda, A., Luu, B. V., Chai, D. H.: Environmental transparency and investors' risk perception: Cross-country evidence on multinational corporations' sustainability practices and cost of equity. *BSE*, **30**, 3975-4000 (2021)