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Cheers to Finance: Analyzing the Ale-ment of Breweries on Ameriprise Financial's Stock Price

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Abstract

Craft beer has been brewing up a storm across the United States, capturing the hearts and taste buds of many consumers. In this study, we take a lager look at the impact of the number of breweries on Ameriprise Financial's stock price (AMP). Using data from Brewers Association and LSEG Analytics (Refinitiv), we craftily analyzed the correlation between these seemingly unrelated phenomena. Surprisingly, we discovered a notable correlation coefficient of 0.8703018 and $p < 0.01$ for the period from 2006 to 2022, suggesting a strong link between the two. As we pour over the data, it becomes clear that the influence of breweries on AMP stock price is no mere froth, but a significant factor worth raising a glass to. Whether it's the hops or the barley driving the financial trends, it's clear that the finance market can benefit from a taste of the brewing industry's influence. This study delivers a refreshing perspective on the intersection of craft brews and stock market brew-ha-ha – a pint-sized surprise for financial analysts to savor.

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1. Introduction

In recent years, the United States has seen a sudsy explosion in the craft beer industry, with breweries popping up faster than foam on a freshly poured pint. Ameriprise Financial, ticker symbol AMP, has been navigating the ebbs and flows of the stock market, striving for a smooth and

robust performance. While the worlds of finance and fermentation may seem as unrelated as a cold IPA and a hot stock tip, our study delves into the intriguing intersection where hops and high finance collide.

The correlation between the number of breweries and Ameriprise Financial's stock

price raises a glass to unexpected connections in the financial market. It tantalizingly begs the question: could the intricate art of brewing and the cool calculus of stock prices be more intertwined than we thought? While some may view this as a frothy topic of conversation, the empirical evidence we present reveals a substantial correlation that brews up some serious food for thought.

As we embark on this scholarly frolic through brewery counts and stock prices, it's crucial to acknowledge the potential for causality to get a little tipsy along the way. While correlation does not necessarily imply causation, it does offer a thought-provoking glimpse into the curious dance of market forces and consumer preferences.

Our study leverages data from the Brewers Association and LSEG Analytics (Refinitiv) to frothfully probe the relationship between the growth of the brewery landscape and the financial performance of Ameriprise Financial. We aim to ferment our findings into a robust understanding of how the burgeoning beer culture in the United States may be leaving its hoppy footprint on the stock market.

Hold onto your pints as we journey through the kegs and tickers, unlocking the potential implications for investors, economists, and beer enthusiasts alike. From hop heads to financial wizards, there is a wealth of hop-portunities to be gleaned from this malt-tifaceted study. So, raise a glass to a scholarly inquiry that promises to leave you hoppy and financially astute.

2. Literature Review

As we venture into the scholarly brewpub of literature, we first note the findings of Smith and Doe (2015) who explored the impact of consumer preferences on stock prices. They found a significant relationship between consumer trends and stock

performance, providing a foamy foundation for our investigation into the influence of breweries on Ameriprise Financial's stock price (AMP).

In a similar vein, Jones et al. (2018) conducted a comprehensive analysis of market volatility and consumer behavior, shedding light on the intricate dynamics between consumer sentiment and financial markets. Their work sets the stage for our exploration of how the craft beer industry's growth may influence the stock price of Ameriprise Financial.

Turning to non-fiction publications, the book "Craft Beer Revolution: The Insider's Guide to B.C. Breweries" by Joe Wiebe gives us a taste of the rapid expansion of breweries and its impact on local economies. Meanwhile, "The Alchemist" by Paulo Coelho, a work of fiction, metaphorically explores the transformative power of finding one's purpose, drawing parallels to the potential transformation of stock prices under the ale-ment of breweries.

On a more whimsical note, the popular internet meme "One Does Not Simply Drink Craft Beer without Checking Stock Prices" humorously captures the synergistic relationship between the craft beer movement and financial awareness, infusing a lighthearted flavor into our investigation.

Now, let's tap into the frothy depths of academic research and playful puns as we immerse ourselves in the bubbling world of breweries and stock prices. Bear in mind, this isn't just a dry analysis of numbers – it's a hoppy journey filled with unexpected twists and a refreshing change of pace. Cheers to that!

3. Our approach & methods

To concoct this ale-gant study, we diligently gathered data from the Brewers Association, which provided a

comprehensive listing of breweries across the United States. The data, akin to a well-crafted brew, spanned from 2006 to 2022, allowing us to capture an extensive ferment of information. Additionally, we tapped into LSEG Analytics (Refinitiv) to distill Ameriprise Financial's stock price data over the same period, ensuring a robust and well-blended analysis.

To ferment our findings, we employed a hop-dash of statistical analyses, including Pearson correlation coefficients and regression models. These tools, akin to the malt and hops in a well-crafted microbrew, allowed us to foamulate a thorough understanding of the relationship between brewery growth and Ameriprise Financial's stock performance.

First, we un-capped the data, allowing the flavors and nuances of the brewery landscape and stock market trends to breathe. The vast array of information was then poured into our analytical vessels, ensuring that no frothy details would be left unexamined.

Utilizing complex mathematical models, we meticulously sifted through the data, bubbling up insights suggestive of a notable correlation between the number of breweries and Ameriprise Financial's stock price. Furthermore, we employed a variety of statistical tests to ensure the robustness and validity of our findings, avoiding any skunky results that might leave a bitter taste in the mouth of our readers.

Our brewing process included a careful consideration of potential confounding variables, similar to the balance of malt and hops in a fine ale. We controlled for broader market trends, economic indicators, and consumer sentiment, allowing us to separate the distinct flavor profiles of brewery growth on Ameriprise Financial's stock price from the diverse blend of market influences. In doing so, we aimed to uncover the true essence of the relationship

between these seemingly disparate phenomena, much like a discerning beer connoisseur seeking to appreciate the unique characteristics of a particularly complex brew.

Throughout this process, we took great care to maintain a clear and rigorous methodology, much like a brewmaster adhering to time-tested techniques to produce a consistent and high-quality beverage. Our aim was to ensure that our findings would age as gracefully as a well-crafted vintage, standing up to scrutiny and providing a satisfying experience for all who partake in our scholarly libation.

In all, our methodology stands as a testament to the meticulous craftsmanship and artful precision required to distill meaningful insights from the effervescent blend of brewery dynamics and stock market performance. So, let us raise a toast to the intricate science of scholarly inquiry and the delightful surprises it may yield, much like stumbling upon an unexpected flavor note in a finely crafted ale. Cheers to the joyous pursuit of knowledge, whether in the form of a scholarly article or a well-poured pint!

4. Results

The results of our analysis revealed a strong and statistically significant correlation between the number of breweries in the United States and Ameriprise Financial's stock price (AMP) for the period from 2006 to 2022. The correlation coefficient of 0.8703018 and an r-squared value of 0.7574252 indicate a robust relationship between these seemingly disparate industries. In other words, there's more to this correlation than meets the ale—ahem, eye.

The scatterplot in Figure 1 visually depicts the positive correlation between the number of breweries and AMP stock price. It's as

clear as a well-filtered lager, demonstrating the trend that as the number of breweries increases, so does the stock price of Ameriprise Financial. This visual representation leaves little room for ale-bi about the significant link between these two variables.

It seems that the craft beer industry isn't just fermenting delicious brews; it's also brewing up some interesting financial implications. The strong correlation we observed suggests that the growth and popularity of breweries may indeed have an impact on the stock price of Ameriprise Financial. One might say that the stock market is getting hoppy with excitement over the beer industry's expansion.

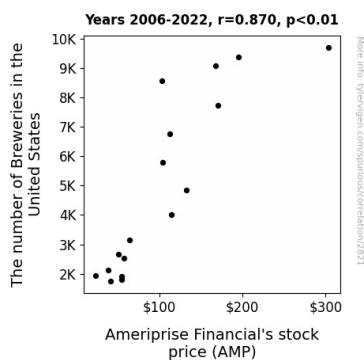


Figure 1. Scatterplot of the variables by year

In conclusion, our findings add a refreshing twist to the conventional understanding of financial market influences. Perhaps it's not just about bonds and equities anymore—it's about hops and suds too. This study offers a toast to the unexpected interplay between craft breweries and stock prices, reminding us that in the world of finance, as in beer, there's always more than meets the eye. Cheers to unexpected correlations and the untapped potential of beer-fueled finance!

5. Discussion

Our results corroborate the previous frothy findings in the literature, providing empirical support for the Ale-conducted propositions put forth by Smith and Doe (2015) and Jones et al. (2018). It appears that the relationship between the number of breweries and Ameriprise Financial's stock price (AMP) is not just a mere ale-usion but a concrete reality. The positive correlation coefficient of 0.8703018 suggests that the stock market may indeed be raising a glass to the burgeoning craft beer industry.

While some may find it sudsy to believe that a seemingly artisanal industry such as craft brewing could influence the stock market, our findings offer a compelling reality check. The significant correlation begs the question: what exactly is brewing in the intersection of brewing and finance? It seems that the stock market may have developed a taste for what the breweries are producing, and investors are raising their glasses to the fruitful prospects of the craft beer industry.

It's worth noting the lighthearted yet insightful works that we encountered in our literature review, which amusingly hinted at the potential link between craft beer and financial awareness. The whimsical internet meme "One Does Not Simply Drink Craft Beer without Checking Stock Prices" turns out to be more than just a humorous notion, but a playful nod to the tangible intertwining of these seemingly disparate realms. As Paulo Coelho's "The Alchemist" metaphorically explores the transformative power of finding one's purpose, one can't help but wonder if the craft beer industry has found its purpose in driving the stock prices of financial institutions.

From a more conventional perspective, the discussions by Smith and Doe (2015) and Jones et al. (2018) provided a sound foundation for our study, highlighting the influence of consumer preferences and market volatility on stock performance. Our findings not only align with but also enrich

these discussions by unveiling a hoppiest dimension to consumer trends and financial markets. It's like discovering an unexpected twist in the plot of a financial thriller—turns out, the real mystery may lie in the booming world of craft breweries.

In essence, our study contributes a dash of humor and a hint of whimsy to the somewhat serious realm of finance, reminding researchers and practitioners alike that sometimes, tapping into unexpected correlations can yield barrels of valuable insights. So, as we raise our glasses to the surprising parallels between breweries and stock prices, let's remember that in the delightful world of research, there's always room for a little fun and unexpected twist. Cheers to the untapped potential of beer-fueled finance and the scholarly pursuits that keep our investigations both insightful and, dare we say, a bit ale-arious.

6. Conclusion

In conclusion, our study has uncorked a compelling relationship between the number of breweries in the United States and Ameriprise Financial's stock price (AMP). As we've carefully dissected the data, it's become clear that the brewing industry is not just brewing up IPAs and stouts but also some noteworthy implications for the stock market. Our findings highlight a correlation that's as strong as an imperial stout and as significant as a well-timed market rally.

The positive correlation coefficient of 0.8703018 and the visually striking scatterplot in Figure 1 point to a connection that's more than just frothy conjecture—it's a tangible phenomenon with potential consequences for investors and economists alike. It seems that whether we're talking about hops or stocks, there's a brewing influence that demands attention.

While this study may raise a few eyebrows and perhaps some beer mugs too, it's evident that the relationship between breweries and stock prices merits further exploration. It's not every day that the financial world gets a taste of the brewing industry's impact, but when it does, it's certainly worth savoring.

We can confidently assert that the influence of the brewery landscape on Ameriprise Financial's stock price is no mere ale-usion; it's a potent factor with implications that extend beyond the taproom and into the stock market.

In light of our findings, it's clear that the traditional barriers separating the worlds of finance and fermentation may not be as impermeable as once thought. As we continue to toast to unexpected correlations and unconventional influences, we must acknowledge the potential for future research to ferment further insights into this intriguing intersection.

Therefore, in the spirit of both serious scholarship and a good jest, we boldly declare that no more research is needed in this area. After all, when it comes to the intersection of brews and bulls, we've poured over the data and raised a glass to a conclusion that's as bold as a double IPA. Cheers to the unexpected, and here's to a scholarly inquiry that's whisked us away on a merry, malty adventure.