Optimizing Smart Cities Cybersecurity Budgets: Tel Aviv and Herzliya as Case Studies

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In the digital age, securing urban digital infrastructures has become increasingly critical. The rise of smart city technologies and Internet of Things (IoT) systems has introduced new cyber threats. with attacks on cities, exploiting vulnerabilities i to disrupt critical services and endanger residents. This paper examines municipal budget allocation for information security in the context of developing smart cities, focusing on the municipalities of Tel Aviv and Herzliya as case studies. Utilizing comprehensive datasets, including budget reports, workforce figures, city populations, and the severity of cyber incidents over a five-year period, the research provides insights into the correlations between these variables and their implications for cybersecurity preparedness. Findings from the data reveal correlations between budgetary decisions, population dynamics, and the severity of cyber incidents, highlighting strategies to enhance cybersecurity readiness. The paper highlights the need for better regulation and transparency and suggests strategies to enhance cybersecurity in smaller municipalities, including tailored regulations, public-private partnerships, and national support to bridge gaps with larger cities.

The Relation Between the Risk-free Rate and Expectations for Future Stock Returns

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There is empirical evidence that flows to equity mutual funds are negatively related to the level of interest. The main behavioral explanation for this phenomenon was based on relative thinking about returns: a 5% stock return expectation against a 1% interest rate looks more attractive than a 10% return expectation against a 6% interest rate. In this article we offer another explanation: investors who ignore the fact that future returns are derived from the level of interest rates because stock prices are supposed to be set so that future returns will yield an appropriate risk premium (return beyond the guaranteed interest rate). We conducted an experiment among business administration students in which the students were asked what they thought the return of the Tel Aviv 125 index would be in 2030. The results suggest that, on average, the participants in the experiment had a higher risk premium (the difference between the expected return and the risk-free interest rate) for stocks when interest rates were low.