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Littauer 318
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Undergraduate/Graduate Studies:
B.A., Economics and Accounting, The Hebrew University of Jerusalem, Magna Cum Laude, 2008
M.A., Financial Economics, The Hebrew University of Jerusalem, Magna Cum Laude, 2011

Doctoral Studies:
Harvard University, 2011 to present.
Ph.D. Candidate in Economics
Thesis Title: "Essays on Financial Economics"
Expected Completion Date: June 2017

References:

Professor Andrei Shleifer (chair)
Harvard Department of Economics
617-495-5046, shleifer@fas.harvard.edu

Professor Josh Lerner
Harvard Business School
617-495-6065, jlerner@hbs.edu

Professor Jeremy Stein
Harvard Department of Economics
617-495-2144, jeremy_stein@harvard.edu

Professor Nittai Bergman
MIT Sloan School of Management
617-253-2933, nbergman@mit.edu

Teaching and Research Fields:
Primary fields: Corporate Finance, Entrepreneurship
Secondary fields: Contract Theory, Financial Intermediation

Teaching Experience:

2012-2016	Research in Finance, Behavioral and Experimental Economics, Harvard University, Instructor – *received Derek Bok Center Award for Excellence in Teaching*
Spring 2016	Behavioral Finance, Harvard University, Teaching Fellow for Owen Lamont

Other Employment:

Summer 2014	Analysis Group, Boston Office, Summer Associate
2010-2011	Ministry of Finance, Israel, Advisor to Director General (through Milken Institute Fellows Program)

Professional Activities:

Presentations	WFA (2016), Interdisciplinary Center Herzliya (2016), Hebrew University (2016), Tel Aviv University (2016)

Honors, Scholarships, and Fellowships:

2016	LEAP Research Grant, Harvard University
2016	Summer Research and Travel Grant, Harvard University
2014	Derek Bok Center Award for Excellence in Teaching, Harvard College
2012	"40 Under 40" recognition in leading Israeli business journal "The Marker" for contributions to economic policy
2011-2017	Graduate School of Arts and Sciences Fellowship, Harvard University

Publications:

"The Globalization of Angel Investments: Evidence across Countries" (joint with Josh Lerner, Antoinette Schoar and Karen Wilson)
Journal of Financial Economics, forthcoming
This paper examines the role investments by angel groups across a heterogeneous set of 21 countries with varying entrepreneurship eco-systems. Exploiting quasi-random assignment of deals around the groups' funding thresholds, we find a positive impact of funding on firm growth, performance, survival and follow-on fundraising, which is independent of the level of venture activity and entrepreneur-friendliness in the country. However, the maturity of startups that apply for funding (and are ultimately funded) inversely correlates with the entrepreneurship-friendliness of the country. This may reflect self-censoring by early-stage firms that do not expect to receive funding in these environments.

Research Papers:

"What Does Compensation of Portfolio Managers Tell Us About Mutual Fund Industry? Evidence from Israeli Tax Records" (joint with Galit Ben Naim) – Job Market Paper
We study the determinants of compensation in the mutual fund industry using Israeli administrative tax records over 2006-2014. The portfolio manager compensation is influenced by fund flows driven by past raw returns. Managers are thus paid equally for fund superior performance as well as for returns that can be traced to the fund's passive benchmark, with a percentage point increase in either passive or active returns associated with an approximately 1% increase in manager compensation. To explain why mutual fund companies compensate their managers for fund flows and do not "filter out" the passive benchmark component, we present a simple model of compensation in the money management sector. In the model, investors prefer to invest with financial intermediaries they are more familiar with, and manager compensation is determined by the sharing of rents that accrue to intermediaries for offering access to risky returns. The key implication of the model is that investor familiarity with financial intermediaries magnifies the sensitivity of manager compensation and fund flows to past performance. Using proxies for investor familiarity we confirm the predictions of the model. Our empirical results imply that investors' inability to distinguish between passive and active returns and their preference to invest with familiar intermediaries are important drivers of managerial compensation. The absence of strong incentives to generate superior performance may explain why the average actively managed mutual fund underperforms.

<u>Research Papers in Progress</u>

"The Impact of Trail Commissions in Financial Advice"

I analyze the causal effect of reduction in commissions paid to financial advisers on behavior of consumers and providers of financial products in the mutual fund industry. I exploit a policy experiment in Israel and a difference-in-differences design that compares changes in outcomes for mutual funds that were subject to exogenous differential reductions in commissions.

"Demand for Smart Money in Entrepreneurship: Evidence from a Randomized Control Experiment"
(joint with Daniela Kandel)

We set up a large scale field experiment to study the demand of technological startups for value-added services of early investors. We seek to understand (i) whether entrepreneurs are interested in having active investors or they prefer having more freedom when managing their businesses; (ii) what value-added services are particularly appealing to entrepreneurs; (iii) how these preferences vary across entrepreneurs.