International markets often move together, so does a global investment portfolio even make sense anymore? Luis Viceira still sees plenty of advantages in looking beyond home markets.  
   
 Open for comment; 4 Comments posted.

Startups welcome growth but are often strangled by it. In this podcast, Sunil Gupta discusses how entrepreneur Vijay Shekhar Sharma is meeting this challenge with his mobile payments company Paytm.  
   
 Open for comment; 5 Comments posted.

This paper seeks to understand and provide evidence on the characteristics of emerging accounting standards for sustainability information. Given that a large number of institutional investors seek sustainability data and have committed to using it, it is increasingly important to develop a robust accounting infrastructure for the reporting of such information.

Emerging markets are contending with a worrisome slowdown in economic growth accompanied by the build-up of corporate debt. Understanding this and other potential vulnerabilities requires knowing more about the state of emerging market corporate balance sheets, the drivers of debt accumulation, and the effects of both on the macroeconomy.

Why do some firms such as technology startups offer the same equity compensation packages to all new employees despite very different cash salaries? This paper presents evidence that workers dislike inequality in equity compensation more than salary compensation because of the perceived scarcity of equity.

A startup typically has more than one investor, each with different incentives. Drawing on the authors’ experience, this paper documents frictions occurring when VCs with differing objectives work together in syndicates. Entrepreneurs must be careful about selecting and building the syndicate of VCs who back their firm.

Starting companies is becoming so quick and cheap that venture capitalists have shifted strategy funding entrepreneurs. Now, more startups get backing—but they have to prove themselves in a hurry, according to research by Ramana Nanda and colleagues.  
   
 Open for comment; 1 Comment posted.

Global banks commonly move funds across markets to respond to differential monetary policy changes. This paper finds that cross-currency flows affect the cost of foreign exchange hedging, ultimately affecting credit supply in different currencies. The traditional view of how global banks respond to local shocks is weakened and, for major currencies, breaks down.

How do commercial banks create value? This paper represents the first attempt to empirically identify the primary determinants of cross-sectional variation in bank value. Among the findings: A bank's ability to produce deposits is by far the most important determinant in explaining cross-sectional variation in bank value.

By motivating its insurance customers to take care of themselves, South African firm Vitality has expanded to the United Kingdom and China. In this podcast, Professor Regina Herzlinger discusses potential impacts of this model for health care in the United States.  
   
 Open for comment; 3 Comments posted.

Consumers can negotiate cheaper auto repair prices by convincing service reps they know something about market rates—helping women overcome gender discrimination, according to recently published research by Ayelet Israeli and co-authors.  
   
 Open for comment; 7 Comments posted.

When a business known for delivering an exemplary customer experience faces cutbacks, what services get chopped? Assistant Professor Susanna Gallani discusses a recent case study about an airline that looks not just to survive a downturn but emerge stronger.  
   
 Open for comment; 2 Comments posted.

Nobel laureate Eugene F. Fama has famously claimed that there is no such thing as a bubble, which he defines as a large price run-up that predictably crashes. Analyzing industry data for the US and internationally, the authors find that Fama is mostly right that a sharp price increase of an industry portfolio does not, on average, predict unusually low returns going forward. Yet the authors show that there is much more to a bubble than merely increases in prices; they show a number of characteristics that predict an end to the bubble.

SUMMING UP. It's better for the United States if China is an economic ally rather than a competitor for world trade leadership, James Heskett's readers conclude.  
   
 Open for comment; 14 Comments posted.

Patent trolls are organizations that own patents but do not make or use the patented technology directly, instead using their patent portfolios to target firms with patent-infringement claims. This paper provides evidence that state anti-troll laws have had a net positive effect for small firms in high-tech industries. There is no significant effect for larger or non-high-tech firms.

This study discusses a systematic and persistent lack of female, Hispanic, and African American labor market participation in the innovation sector, through both entrepreneurs and the venture capitalists that fund them.

To understand better what channels might account for persistence in the fund-level performance of private equity firms, the authors examine the individual investments underlying fund-level returns.

Niels Gormsen and Robin Greenwood identify characteristics of stocks that an investor who is worried about bad times should buy— a “rainy day” portfolio. They also propose a simple methodology that places greater weight on performance achieved during bad times than performance achieved during good times, essentially evaluating returns under a risk-neutral probability measure.

Index funds are the major shareholders in many large- and medium-sized public companies, but their passive investment nature offers few checks on those companies’ executives, says Luis Viceira.  
   
 Open for comment; 0 Comments posted.

Responding to a recent editorial in the Washington Post, Karen Mills argues that the Small Business Administration is an effective public-private partnership model that fuels economic growth, access, and opportunity for all Americans.  
   
 Open for comment; 3 Comments posted.