Examination of every equity investment made by the International Finance Corporation, one of the largest and longest-operating impact investors, shows this portfolio has outperformed the S&P 500 by 15 percent.

Measuring human capital creation is complex but increasingly important to managers for understanding the relationship between employee expenditures and firm performance. This paper develops a strategy to examine aspects of the intangible human capital investment embedded in a firm’s personnel expense.  
   
 Closed for comment; 0 Comments.

Using a randomized field experiment conducted on a large online search platform, this study illustrates how investments by top venture capital investors attract potential employees and improve the pool of candidates available for the startup.

Fintechs have revolutionized the banking industry, but some customers end up worse for the experience, according to research by Marco Di Maggio and colleagues.  
   
 Open for comment; 5 Comments posted.

A case study of an Italian supermarket introducing a new pricing policy—in which it reduced prices on some brands—offers managers a new approach to reduce uncertainty. The approach is flexible and can be applied to different business problems.

Analyzing the impact of the COVID-19 crisis on bankruptcy filing rates in the United States, this study finds that large businesses, small businesses, and consumers experience very different effects of the crisis.

This study of foreign corporate investment transactions from 32 countries between 1976 and 2015 finds these investments pose a trade-off: While they support young firms in pursuing innovations they could not otherwise afford, they also generate knowledge for the foreign investors.

Small-business owners have delayed rent payments and other bills to protect health benefits for employees. Now, financial pressure is mounting, according to research by Leemore Dafny, Yin Wei Soon, Zoë Cullen, and Christopher Stanton.  
   
 Open for comment; 0 Comments posted.

The United States needs a health care equivalent of the Securities and Exchange Commission to increase transparency and competition, argues Regina Herzlinger.  
   
 Open for comment; 3 Comments posted.

A firm’s stock price volatility during times of uncertainty can significantly reduce workers’ consumption and savings decisions. This paper sheds light on the economic effects of uncertainty, and in particular, how firms provide insurance to their workers during periods of turmoil.

The “best ideas” in investment managers’ portfolios generate statistically and economically significant risk-adjusted returns over time, and they systematically outperform other positions in the portfolios. Investors can gain substantially if managers choose less-diversified portfolios that tilt more towards their best ideas.

Forty percent of American investors rely on financial advisers, but the COVID-19 market rollercoaster may have highlighted a weakness when disputes arise. The system favors the financial industry, says Mark Egan.  
   
 Open for comment; 3 Comments posted.

Case studies about The Conservation Fund and Sonen Capital highlight three broad lessons about fresh approaches to the ownership and management of forestland.

Resolving uncertainty related to market demand—so called “product-market” fit—marks a key inflection point in the compensation contract for CEOs of venture-capital backed firms.

One of the legacies of the 2007–2008 global financial crisis has been a reassessment of the potential for restriction of capital flows policies. This paper documents a set of stylized facts on capital controls along their intensive and extensive margins for emerging markets and document them to be “sticky.” We then rationalize them through a model that includes fixed cost of implementing such policies, which lower the welfare gains of implementation.

This paper shows how tools, such as simulations used to design new technologies, can facilitate collaborative economic policy judgments. The paper forms part of a broader, ongoing study of knowledge in practical fields such as engineering, medicine, and business.

During a market collapse, investors will pay up for companies considered resilient in their response, according to George Serafeim.  
   
 Open for comment; 1 Comment posted.

Many companies actively manage customer churn but aren't seeking out the best customers to retain, warns Sunil Gupta.  
   
 Open for comment; 4 Comments posted.

Examining the impact that changes in expenditure patterns are having on the measurement of consumer price indices (CPI) inflation in 17 countries, this study finds that the cost of living for the average consumer is higher than estimated by the official CPI. This implies that real consumption is falling more quickly over time.

The liquidity of corporate bond markets is crucial to their functioning. This paper proposes a novel measure of bond market liquidity based on portfolio holdings instead of transaction data. The measure can be applied to asset-backed securities, syndicated loans, and municipal securities for which publicly available data on transactions are not available.