

# CHARLES PARRY

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## EDUCATION

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<b>University of Cambridge</b> PhD in Economics <i>Advisors: Vasco M. Carvalho (Primary), Charles Brendon</i>	2020 – March 2026 (Expected)
<b>University of Cambridge</b> MPhil in Economic Research (Distinction)	2018 – 2019
<b>London School of Economics and Political Science</b> BSc Economics (First-Class Honours)	2014 – 2017

## RESEARCH INTERESTS

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Entrepreneurship, Macroeconomics, Finance.

## REFERENCES

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**Vasco M. Carvalho**  
Faculty of Economics  
University of Cambridge  
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**Constantine Yannelis**  
Faculty of Economics  
University of Cambridge  
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**Maarten De Ridder**  
Department of Economics  
London School of Economics  
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**Ramana Nanda**  
Imperial Business School  
Imperial College London  
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## JOB MARKET PAPER

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### Start-up Financing, Entry and Innovation

*Abstract.* Venture capital (VC) is the key source of financing for high-growth start-ups, but with few alternatives, limited access can leave viable projects unfunded and constrain innovation. I develop and estimate an equilibrium model of the VC market to quantify these distortions in the US, explain cross-country differences in VC activity, and diagnose VC's sectoral concentration. In the model, entrepreneurs and VCs meet in a frictional matching market and VCs endogenously stage capital injections over time to limit losses from hidden failure by entrepreneurs; however, reliance on follow-on funding exposes the start-up to premature closure if funding does not materialise. The model maps directly to observed funding histories, enabling estimation and policy counterfactuals. For US start-ups first funded in 2005–2015, my estimates suggest that 40% shut down despite having positive continuation value; with continued funding, half would reach an acquisition or IPO. I then estimate the model on UK microdata and find that financing conditions and acquisition opportunities, not project quality, drive US–UK differences; financing conditions account for two-thirds of the entry gap. Because UK start-ups struggle to reach late-stage rounds, retargeting existing support towards late-stage start-ups improves outcomes. Finally, the theory offers an explanation for VC's concentration in software and services: frictions are least severe for short-horizon projects with ample acquisition opportunities. Absent frictions, the share of VC-backed software and services start-ups falls from 61% to 53%, offset by gains in science-based sectors.

## WORKING PAPERS

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### Household Discount Rate Heterogeneity and Policy Transmission

Joint with Pulak Ghosh, Michael Varley and Constantine Yannelis

*Abstract.* Discount rates are central to households' investment, consumption and savings choices, and are a key determinant of aggregate spending and growth. We develop an empirical menu approach to identifying individuals' discount rates. In making credit choices, consumers are often faced with decisions consisting of maturity and interest rate choices. We show that using the structure of consumers' preferences, consumers' maturity choices are informative about their discount rates as more patient consumers pick longer maturities with more favorable rates. We estimate discount rates using a financial choice which trades off smaller cash flows in the short term against larger cash flows in the future – the choice of bank time deposits and 182,540 term choices made by 46,746 account holders at a large Indian bank. We estimate an average discount rate of 11.6% and exhibit significant heterogeneity. Estimated discount rates predict savings and portfolio choices, as well as stock market participation. Discount rates rise during economic contractions, consistent with Keynesian theory. Individuals with higher discount rates invest more in equities following monetary policy loosening, suggesting that discount rate heterogeneity can play a role in monetary policy passthrough.

### Local Stock Markets

Joint with Igli Bajo

*Abstract.* Europe's public equity markets have underperformed, new listings have declined, and an increasing number of firms are seeking listings in the United States. These developments have spurred debate on how to sustain local exchanges. We develop a theory of local stock markets to rationalize these trends and assess motives for policy intervention. In a two-country setting, firms choose entry and listing venues, and investors choose portfolios based on private signals whose precision depends on investor location and the firm's listing decision. These choices jointly determine the information environment and asset prices in a noisy rational-expectations equilibrium. Our main result establishes that local stock markets rely on a sufficiently large effective investor base – the risk-adjusted size of local informed capital – and that a contraction in the effective investor base can trigger increased foreign listings and falling domestic activity. In addition, our model provides a theory of joint home bias, capturing the tendency of international listing decisions to reflect investor home bias.

## SELECTED EXTERNAL CONFERENCES & PRESENTATIONS

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**2024:** Judge Business School CERF Lunch Talk; Theories and Methods in Macro (T2M).

**2025:** BSE Summer Forum; Columbia PE Research Conference; Eastern Finance Association Annual Meeting; FMA Europe; NYU Student Macro Lunch; RAPS/RCFS Europe Conference.

## TEACHING

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### Teaching Assistant, University of Cambridge

Part IIA, Undergraduate Macroeconomics

2022

R200, Graduate Macroeconomics (PhD track)

2021 – 2025

E200, Graduate Macroeconomics

2021 – 2025

### Visiting Lecturer, Coburg University

2022

International Economics, MBA Programme

## RELEVANT POSITIONS

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### Organisation for Economic Co-operation and Development (OECD)

2023 – 2024

PhD Intern (subsequently, Consultant), PIE Division

### European Central Bank (ECB)

2019 – 2020

Trainee, Monetary Policy Strategy (Policy Assessment)

## AWARDS

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CERF Best Student Paper Award	2024
MPhil Teaching Prize	2021-22, 2022-23
Doctoral Training Programme Studentship (ESRC)	2020
Newton College Masters Award (Isaac Newton Trust)	2018

## EXTRA-CURRICULAR

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Attendee at NBER Entrepreneurship Research Boot Camp	2025
Cambridge Undergraduate Admissions Interviewer	2024
Organiser of the Macroeconomics Reading Group (with Deniz Atalar), University of Cambridge	2022 – 2023
Cambridge Co-Coordinator of the Applicant Mentoring Programme	2021 – 2024
Treasurer, Jesus College Graduate Society	2021

## PERSONAL INFORMATION

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**Nationality** United Kingdom  
**Programming** Python, MATLAB, Stata  
**Languages** English (Native), German (C1, Advanced)