CHARLES PARRY

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EDUCATION

University of Cambridge 2020 – March 2026 (Expected)
PhD in Economics
Advisors: Vasco Carvalho (primary), Charles Brendon

University of Cambridge 2018 – 2019
MPhil in Economic Research (Distinction)

London School of Economics and Political Science 2014 – 2017
BSc Economics (First-Class Honours)

RESEARCH INTERESTS

Firm dynamics, entrepreneurial finance, innovation.

JOB MARKET PAPER

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 while still potentially viable; 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

Household Discount Rate Heterogeneity and Policy Transmission

Joint with Pulak Ghosh, Michael Varley and Constantine Yannelis

Abstract. Discount rates are central to households' investment, consumptions and savings choices, and are a key determinant of aggregate spending and growth. We develop an empirical menu approach to identifying individual's 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 cashflows 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 rate 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.

EXTERNAL CONFERENCES & PRESENTATIONS

2024: Judge Business School CERF Lunch Talk; Theories and Methods in Macro (T2M); RCEA International Conference; EDGE Jamboree.
2025: Cambridge PE, VC & Innovation Conference; Columbia PE Research Conference; Eastern Finance Association Annual Meeting; NYU Student Macro Lunch; FMA Europe; BSE Summer Forum; RAPS/RCFS Europe Conference.

TEACHING

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

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

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

Attendee at NBER Entrepreneurship Research Boot Camp	2025
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

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

REFERENCES

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