

Nicholas Woolley

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Citizenship: United States and United Kingdom

Education

2010-2015	DPhil in Economics Oxford University, Oxford Thesis Title: “Big Effects of a Little Sector: The Structural Impact of Venture Capital on the Macro-economy”
2008-2010	MPhil in Economics Oxford University, Oxford Thesis Title: “Stunted Growth: A DSGE Analysis of Credit Constraints on Technology Investment”
2002-2006	B.A. in Philosophy and Economics Cornell University, Ithaca, New York Honor’s Thesis Title: “A political game-theoretic analysis of separation of powers in the US”

Research Interests

Primary Interests:	Endogenous Growth Theory, Dynamic Stochastic General Equilibrium Models, Economics of Venture Capital
Secondary Interests:	Financial Macroeconomics, Behavioral Macroeconomics, Economic History

Professional Experience

10/2011-09/2012	Stipendiary Lecturer New College, Oxford
09/2011-08/2013	Junior Dean Pembroke College, Oxford
10/2010-09/2012	Teaching Associate Department of Economics, Oxford University
07/2010-11/2010	Consultant Oxford Capital Partners, Oxford
10/2006-2/2008	Analyst Lloyds TSB, London and Bristol

Teaching

British Economic History Since 1870 (Departmental Teaching Associate)
Macroeconomics (Stipendiary Lecturer)
Intermediate Macroeconomics (Stipendiary Lecturer)
MPhil Macroeconomics (Departmental Assessor)

Research Papers

“Optimism under uncertainty in venture capital” (Job Market Paper)

We model uncertainty in the venture capital sector through an investor’s fear of model misspecification, as in Hansen and Sargent (2008) using an endogenous growth model to capture the focus of venture capital on technology investment. We then alter the uncertainty aversion framework slightly to allow for uncertainty-loving, or optimistic, behavior. We find that market imperfections central to the endogenous growth model allow for perturbations to be welfare increasing. Furthermore, such perturbations also increase the investor’s realized utility, which we interpret as meaning it is optimal for the investor to have non-rational preferences.

“From debt to equity: did policy makers get it right?”

This paper addresses the impact of investment contracts in venture capital on the wider economy. Specifically, we address the shift from debt to equity contracts in the technology sector in the late 1970s by building debt and equity contracts into the endogenous growth model of Rivera-Batiz and Romer (1994). We find that the shift in contract can explain the increase in level of technology investment in the early 1980s, as more capital becomes available due to the sharing of windfall from positive technological shocks. This windfall, in turn, magnifies the positive externality from technological innovation, and allows it to propagate over the business cycle. We conclude that the shift from debt to equity was a positive change, and would recommend against efforts to increase the use of debt contracts in the technology sector.

“Venture capital in a credit crunch: a structural analysis”

This paper serves to explain cyclical-level changes in venture capital investment levels in a credit crunch. We use a net worth multiplier of Bernanke (1983) to model credit restrictions and the endogenous growth model of Romer (1990) to model the focus of venture capital on technology investment. We find the increased investment from a technological discovery will amplify oscillations in the investment level, causing a far greater disturbance than the shock would suggest without endogenous growth. Furthermore, the model helps explain the differences in reaction of the venture capital sector to the economic downturns of 2001 and 2008.

Talks Given

“Venture capital and model uncertainty.” Department of Economics, Oxford University

“Venture capital from a macroeconomic perspective.” Exeter College

“Near-rational exuberance: robustness in an endogenous growth framework.” Department of Economics, UCLA

Software and Languages

Matlab (including Dynare and CompEcon toolkits), SQL, Microsoft Office, Stata, LaTeX
English (native) and French (conversationally fluent and very good written)

Refereeing

Oxford Economic Papers
Oxford University Press

Community Positions Held

Treasurer, University College Boat Club
Student-at-large representative, Cornell University “President’s Committee on Alcohol”
Social Secretary University College Middle Common Room
Host, The Gatehouse, a community center for homeless people in Oxford
Economic Consultant, Kenya School Project