John F. Bonney

PERSONAL
INFORMATION

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TEACHING AND
RESEARCH FIELDS

Primary: Labor Economics, Econometrics, Corporate Finance
Secondary: Public Economics, Industrial Organization

EDUCATION

2020–present   Ph.D. Candidate in Economics, Stanford University
2018   B.S. in Economics, Brigham Young University

REFERENCES

Luigi Pistaferri (co-primary)
Department of Economics
Stanford University
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Alessandra Voena (co-primary)
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Stanford University
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Stanford University
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JOB MARKET
PAPER

How Network Hiring by Entrepreneurs Shapes Firm Formation and Performance

Abstract: Many entrepreneurs rely on their personal networks to hire their first employees. How important is this practice for the formation and performance of new firms? I study this question using Norwegian administrative data that allow me to link entrepreneurs to their firms, employees, and former coworkers. To identify causal effects, I develop an instrumental variables framework that jointly models entry and network hiring, allowing for endogenous selection on both margins. The results reveal three main findings. First, each ex-coworker hired in the firm's first year raises annual revenues in the following four years by over $250K and crowds in other hires, without reducing average productivity. Second, without the ability to hire ex-coworkers, a quarter of network-hiring entrepreneurs would not have started their firms at all. Third, counterfactual simulations show that, compared to entry subsidies, networks enable entry of entrepreneurs who create substantially more jobs, survive longer, and achieve higher value added per worker. Interpreted through the lens of a simple model, the data suggest that private information about coworker quality is a key driver of network hiring. Taken together, the results show that access to human capital through networks is an important determinant of entrepreneurial entry and success.

RESEARCH PAPERS

When is TSLS *Actually* LATE?
with Christine Blandhol, Magne Mogstad, and Alexander Torgovitsky
Accepted at the Review of Economic Studies

Abstract: Linear instrumental variable estimators, such as two-stage least squares (TSLS), are commonly interpreted as estimating non-negatively weighted averages of causal effects, referred to as local average treatment effects (LATEs). We examine whether the LATE interpretation actually applies to the types of TSLS specifications that are used in practice. We show that if the specification includes covariates—which most empirical work does—then the LATE interpretation does not apply in general. Instead, the TSLS estimator will, in general, reflect treatment effects for both compliers and always/never-takers, and some treatment effects for the always/never-takers will necessarily be negatively weighted. We show that the only specifications that have a LATE

interpretation are "saturated" specifications that control for covariates nonparametrically, implying that such specifications are both sufficient and necessary for TSLS to have a LATE interpretation, at least without additional parametric assumptions. This result is concerning because, as we document, empirical researchers almost never control for covariates nonparametrically, and rarely discuss or justify parametric specifications of covariates. We apply our results to thirteen empirical studies and find strong evidence that the LATE interpretation of TSLS is far from accurate for the types of specifications actually used in practice. We offer concrete recommendations for practice motivated by our theoretical and empirical results.

Childbirth and Firm Performance: Evidence from Norwegian Entrepreneurs
with Luigi Pistaferri and Alessandra Voena
Accepted at the Journal of Labor Economics

Abstract: Using multiple administrative data sources from Norway, we examine how firm performance changes after entrepreneurs become parents. Female-owned businesses experience a substantial decline in profits, steadily decreasing to 30% below baseline ten years post-childbirth. In contrast, male-owned businesses show no decline, often growing in revenues and costs after childbirth. The profit decline for female-owned firms is most pronounced among highly capable entrepreneurs, women who are majority owners, and those with working spouses. Entrepreneurial effort is key to performance, and our findings suggest that time demands from childbirth and childcare are a significant determinant of the decline in firm profits.

SELECTED WORK IN PROGRESS

Industry-Academia Ties & the Direction of Innovation: Evidence from Stanford Research Park
with Mihai Codreanu
Best Second-Year Paper Award, Stanford Economics;
Best Poster Runner-Up, 2024 All-California Labor Economics Conference

Abstract: We analyze the effects of strengthening industry-academia ties on the amount and direction of innovation. We focus on the Stanford Research Park (SRP), a historical hub of technological progress and world's first university science park. We empirically investigate three aspects: the impact of a firm's presence in the SRP on its long-run outcomes; the relationship between inventors' coursework and patenting; and the effect of exposure to firms on professors' research. Our approach combines newly digitized mid-20th century data on public and private R&D-focused companies, SRP affiliates' Stanford coursework, and professors' electrical engineering journal publications. Using a difference-in-differences approach, we estimate that park tenants file 20 additional patents annually compared to similar firms who did not join but were favored by the SRP's scientific head. Tenant patents also yield around 15 excess citations each and span much broader patent classes. Firm inventors who concurrently take Stanford courses are more likely to produce innovations relative to their co-workers. Their innovations are more highly cited and more likely to mention keywords from the courses taken. During the same time period, Stanford's electrical engineering professors begin to publish more often in the field's flagship journal, and a language analysis reveals that their research becomes closer in content to the inventions of SRP firms.

How Local are Local Average Treatment Effects?
with Christine Blandhol, Magne Mogstad, Joshua Shea, and Alexander Torgovitsky

Abstract: Empirical researchers often use instrumental variables (IVs) to estimate a local average treatment effect (LATE), which reflects causal effects for the instrument-specific compliers. The subpopulation of compliers is often small and may not represent the actual subpopulation of interest, raising concerns about the external validity of the LATE. We develop a systematic approach for assessing the generalizability of LATEs. The approach uses the marginal treatment effect representation to link LATEs directly to alternative target parameters. These parameters can be bounded under the usual nonparametric IV assumptions. We demonstrate how these bounds can be sig-

nificantly tightened by using nonparametric shape restrictions derived from economic theory or by imposing parametric structure. We examine the external validity of LATEs in three applications in development and labor economics. In each one, we demonstrate how to transparently trade-off stronger assumptions for sharper conclusions. The results reveal examples in which LATEs appear to generalize, as well as other examples in which LATEs do not generalize. Our findings show how researchers can use the marginal treatment effect framework not only to interpret IV estimates, but also to discipline and assess claims about their external validity.

Relatives in the Workplace: The Formation and Growth of Family Firms

Intergenerational Finance, Entrepreneurial Entry, and Firm Performance
with Luigi Pistaferri and Alessandra Voena

AWARDS, HONORS, AND FELLOWSHIPS	2025	*Dixon and Carol Doll Graduate Fellowship*, Stanford Institute for Economic Policy Research
	2025	*George P. Shultz Research Fellowship*, Stanford Institute for Economic Policy Research
	2024	*Outstanding Teaching Assistant Award*, Stanford University
	2024	*Research Data Grant*, Stanford Institute for Research in the Social Sciences (IRiSS)
	2024	*Graduate Research Opportunity (GRO) Grant*, Stanford University
	2020-2025	*Graduate Research Fellowship*, National Science Foundation
	2018	*Valedictorian*, Brigham Young University (Economics Dept.)

SEMINARS AND CONFERENCES	2025	All-California Labor Economics Conference
	2024	Econometric Society Winter Meeting, BYU Economics Summer Conference

RESEARCH AND TEACHING EXPERIENCE	*Research Assistant*	
	2021-2022	Alessandra Voena, Professor of Economics, Stanford University
	2018-2020	Magne Mogstad, Professor of Economics, University of Chicago
	2017-2018	Joseph Price, Associate Professor of Economics, Brigham Young University

Teaching Assistant

2024	Advanced Topics in Econometrics (Luigi Pistaferri, Stanford University)
	Undergraduate, received 4.6/5.0 average rating
2017-2018	Applied Econometrics (x2, Lars Lefgren, Brigham Young University)
2017	Industrial Organization (James Cardon, Brigham Young University)

SERVICE	*Refereeing:* Journal of Political Economy, Journal of Econometrics, Journal of Labor Economics
	Departmental: Organizer, Stanford Applied Economics Lunch (2023-2024)

ADDITIONAL INFORMATION	U.S. citizen. Married; two children (born 2020 and 2022)
	Languages: English (native), Dutch (advanced), French (intermediate)