

Duke University
The Fuqua School of Business
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EDUCATION

Fuqua School of Business, Duke University
PhD, Finance

Durham, NC
2018-

Barcelona School of Economics
MS, ITFD

Barcelona, Spain
2015-2016

Trinity College Dublin
BA, Philosophy, Politics, Economics & Sociology (PPES)

Dublin, Ireland
2009-2013

JOB MARKET
PAPER

Shareholder Voice and Executive Compensation
Latest version (August 2023)

Can non-binding shareholder votes impact corporate policies? Answering this requires understanding how much the *threat* of a failed vote impacts corporate decision-makers. I estimate a model of CEO compensation with non-binding shareholder approval votes ("Say-on-Pay"). CEO pay is set by the Board of Directors, which is imperfectly informed of CEO skill and biased towards offering a high wage. Shareholders, whose beliefs about the CEO may differ from the Board's, decide to pass or fail the Say-on-Pay (SOP). Failed votes are perceived as costly by the Board and shareholders. To match observed pay levels and failure rates, the cost of SOP failure to the Board (shareholders) must be equivalent to 2.06% (0.76%) of firm value. The Board cost reveals that the (off-equilibrium) threat of SOP failure disciplines wages, even with high SOP support; yet shareholder impact on wages is limited by their own cost. Using my estimates, I construct a counterfactual SOP mechanism in which a focal shareholder holds an advisory position on the Board; this mechanism lowers the SOP failure rate, decreases wages and increases firm value.

WORKING
PAPERS

Project Development with Delegated Bargaining: The Role of Elevated Hurdle Rates
with Bruce Carlin, Alan Crane and John Graham
SSRN (April 2023)

During project development, investment costs are endogenously determined through delegated bargaining with counterparties. In surveys, nearly 80% of CFOs report using an elevated hurdle rate, the implications of which we build a model to explore. We show that elevated hurdle rates can convey a bargaining advantage that exceeds the opportunity cost of forgone projects, whether these hurdle rate buffers arise for strategic or non-strategic reasons. Using CFO survey data, we find buffer use is negatively related to the cost of capital and to bargaining power, consistent with our model's predictions, and that realized returns are associated with "beat the hurdle rate benchmark" behavior.

PUBLICATIONS

Corporate Flexibility in a Time of Crisis

with Murillo Campello, John Graham and Yueran Ma

Journal of Financial Economics (June 2022)

We use the COVID shock to study direct and interactive effects of several forms of corporate flexibility on short- and long-term real business plans. We find that i) *workplace flexibility*, namely the ability for employees to work remotely, plays a central role in determining firms' employment plans during the health crisis; ii) *investment flexibility* allows firms to increase or decrease capital spending based on their business prospects in the crisis, with effects shaped by workplace flexibility; and iii) *financial flexibility* contributes to stronger employment and investment, in particular when fixed costs are high. While the role of workplace flexibility is new to COVID, CFOs expect lasting effects for years to come: high workplace flexibility firms foresee continuation of remote work, stronger employment recovery, and shifting away from traditional capital investment, whereas low workplace flexibility firms rely more on automation to replace labor.

RESEARCH
INTERESTS

Corporate finance, capital budgeting and investment, corporate governance, executive compensation, shareholder voting, structural estimation

CONFERENCES &
SEMINARS**2023** AFA, LBS TADC, Inter-Finance PhD Seminar, Duke University (scheduled)**2022** Duke University**2021** AFA, ITAM Finance Conference**2020** Duke University (×2)RESEARCH
EXPERIENCE**Fuqua School of Business**

Durham, NC

Research Assistant for John Graham

2019-2023

Head RA for the **2021 AFA Presidential Address**

Research Assistant for Adriano Rampini & S. Vish Viswanathan

2019-2020

Research Assistant for Alon Brav

2018-2019

Harvard Business School

Boston, MA

Research Associate

2017-2018

Princeton University

Princeton, NJ

Research Associate

2016-2017

TEACHING
EXPERIENCE**Fuqua School of Business**

Durham, NC

*Head Teaching Assistant***Corporate Finance** (MBA)

2019-2023

John Graham

Empirical Methods in Corporate Finance (PhD)

2019-2023

Manuel Adelino and Jillian Grennan

TECHNICAL
SKILLS

Python, Julia, R, SQL, Stata, SAS, Git

Machine learning, neural networks, efficient algorithm design, structural estimation