

# JOHN W. BARRY

September 2023

Duke University, Fuqua School of Business  
100 Fuqua Drive  
Durham, NC 27708

Email: [john.w.barry@duke.edu](mailto:john.w.barry@duke.edu)  
Phone: (+1) 346-228-2292  
Web: <https://johnwbarry.info/>

## EDUCATION

**Duke University, Fuqua School of Business** Durham, NC  
PhD, Finance 2018-

**Barcelona School of Economics** Barcelona, Spain  
MS, International Trade, Finance and Development (ITFD) 2015-2016

**Trinity College Dublin** Dublin, Ireland  
BA, Philosophy, Politics, Economics & Sociology (PPES) 2009-2013

## RESEARCH INTERESTS

Corporate finance, corporate investment, discount rates and capital budgeting, project horizon, executive compensation, shareholder voting, structural estimation

## WORKING PAPERS

### **Shareholder Voice and Executive Compensation** (Job market paper)

[Latest version](#) (September 2023)

How much does shareholder voice via non-binding Say-on-Pay votes impact executive compensation policy? Answering this requires understanding how much the *threat* of a failed vote impacts the Board of Directors. I estimate a model of CEO compensation with non-binding shareholder approval votes ("Say-on-Pay"). CEO pay is set by the Board, which is asymmetrically informed about the CEO, but biased towards offering a high wage. Shareholders can fail the Say-on-Pay (SOP) and punish the Board for overpayment. The estimation shows that failed votes are perceived as costly by both the Board and shareholders: a failure cost of 2.06% (0.76%) of value for the Board (shareholders) is sufficient to match observed pay levels and failure rates. Empirical evidence suggests the Board cost is a career and reputation concern for directors; for shareholders, it represents a cost to dissenting from the Board on a prominent policy. I construct a counterfactual SOP mechanism which emulates giving a focal shareholder an advisory seat on the Board; this lowers the SOP failure rate, decreases wages and increases firm value.

### **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

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### 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.

## CONFERENCES AND SEMINARS

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**2023:** AFA, LBS TADC, Inter-Finance PhD Seminar, Duke IO lunch, Fuqua, Olin Finance Conference PhD Poster Session<sup>†</sup>, Boca Finance Conference<sup>†</sup>  
**2020-2022:** AFA, ITAM Finance Conference, Fuqua (×3) <sup>†</sup>= scheduled

## RESEARCH EXPERIENCE

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<b>Fuqua School of Business</b>	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
<b>Harvard Business School</b>	Boston, MA
Research Associate	2017-2018
<b>Princeton University</b>	Princeton, NJ
Research Associate	2016-2017

## TEACHING EXPERIENCE

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<b>Fuqua School of Business</b>	Durham, NC
Head Teaching Assistant	
<b>Corporate Finance</b> (MBA)	2019-2023
John Graham	
<b>Empirical Methods in Corporate Finance</b> (PhD)	2019-2023
Manuel Adelino and Jillian Grennan	
Other	
<b>Advanced Corporate Finance</b> (MBA)	2019-2023
S. Vish Viswanathan	
<b>Foundations of Capital Markets</b> (MMS)	2021
Alon Brav	

## TECHNICAL SKILLS

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

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

## PROFESSIONAL SERVICES

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**Referee:** American Economic Review: Insights