Lin Zhao

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Education

Ph.D. Business Administration - Finance, Duke University, 2026 (Expected)

M.S. Computer Science, Duke University (concurrent master's degree en route to the Ph.D.)

M.A. Economics, Duke University, 2018

B.A. Finance, Xiamen University, 2016

Working Papers

"Bundling and Exclusion in the Defined Contribution Plan Market"

(Job Market Paper) Latest version

Employers work with recordkeepers to provide defined contribution plans for their employees. Yet access to high-quality plans remains unequal, particularly for employees at small firms. I show that this disparity is driven by a supply-side friction: recordkeepers exercise their market power by strategically excluding small employers through minimum revenue thresholds. Because most major recordkeepers are vertically integrated and bundle recordkeeping with their own investment products, exclusion enables them to raise recordkeeping fees and induce employers towards plans with more affiliated and expensive investment options. I build and estimate a structural model that quantifies the extent and consequences of exclusions. Counterfactual analyses show that policies designed to relax the exclusion, such as pooled employer plans (PEPs), can expand access to high-quality plans and improve participant welfare, although these gains can be mitigated by recordkeepers' strategic adjustment of exclusions in equilibrium.

"Human Capital, Competition and Mobility in the Managerial Labor Market"

with John Barry and Noah Lyman (2025)

We pose and estimate a model of the managerial labor market to quantify the relative importance of general and firm-specific human capital, managerial bargaining power, and labor market competition in shaping compensation and mobility. We decompose the growth in managerial compensation with respect to both tenure at the firm and overall labor market experience, finding firm-specific and general human capital to be the dominant drivers of growth in both cases. Firm-specific skill significantly restricts executive mobility, and can help explain the low rate of external CEO hiring. Despite this, we find that firm-specific human capital enhances managers' ability to extract rents from their incumbent employers. Furthermore, we decouple the effects of managerial bargaining power and labor market competition on managers' realized share of rents and show that neglecting the role of competition biases estimates of managers' bargaining power, particularly those hired from outside the firm.

"Information and Preference in Shareholder Voting"

with John Barry and James Pinnington(2025)

We develop a model of shareholder voting with incomplete information about proposal quality. Shareholders differ in their ownership stake, private information precision, and unconditional preference towards proposals passing. Equilibrium voting makes the mapping between observed vote records and preferences ambiguous because of strategic voting (shareholders conditioning on information implied by others' votes) and belief correlation (shared public signals about proposal quality). We estimate the model using voting records of large US mutual funds and find that blockholders' observed support rates can differ considerably from preference-implied support rates, highlighting that investor preferences cannot be inferred directly from vote records.

"Capital Flows, Corporate Financing, and Institutional Ownership of U.S. Equity Markets"

with Alon Brav and Dorothy Lund (2024), forthcoming

We analyze the equilibrium relationship between equity flows, corporate financing decisions, and institutional ownership of U.S. public equity to better understand the sources of inflows allocated to asset managers and the dramatic growth in equity ownership of institutional asset managers over the past two decades. Contrary to current narrative, we find that ownership by the Big Three — Vanguard, State Street Global Advisors, and BlackRock— has leveled off in recent years. Evidence based on equity capital flows into the Big Three also undermines the conventional narrative of rapid and accelerating growth. We present a framework to understand how fund characteristics and corporate actions such as stock buybacks and equity issuances have combined to shape the evolution of institutional investor ownership, including that of the Big Three. Indeed, our analysis reveals that a substantial part of the growth of institutional investor ownership of U.S. capital markets can be attributed to these fund characteristics and corporate actions. Our evidence points to the origin of fund flows and why certain institutions win and lose in the contest for flows.

Working in Progress

"Dissect Dark Matter Ownership", with Alon Brav

Pre-doctoral Publications

"An Evolutionary Analysis of Financial Innovation and Regulation", with Jevons Lee and Wenbin Xu (2019) *Economic Research Journal* (经济研究)

Research Experience

Senior Research Specialist, Princeton University, 2018 - 2019

Teaching Experience

Teaching Assistant, at Duke

BA 953 Empirical Corporate Finance (PhD), 2023 - 2024

BA 952 Theoretical Corporate Finance (PhD), 2022

Finance 645W Financial Management (WEMBA), 2022 - 2024

Finance 654 Corporate Finance (MBA), 2021 - 2024

Finance 524 Foundations of Capital Markets (MMS), 2021 - 2024

Decision 516 Quantitative Business Analysis (MMS), 2021 - 2022

Activities

Sep 2021: Princeton Initiative: Macro, Money, and Finance

Aug 2021: Mitsui Center Summer School on Structural Estimation in Corporate Finance

Honors and Awards

M.A. Merit Scholarship, Duke University, 2017

Honor Graduates, Xiamen University, 2016

China National Scholarship, 2013, 2015

Misc

Nationality: Chinese Citizen

Language: Chinese (native), English (fluent)

Skills: Stata, Python, Matlab, Julia, R, SQL, Java

Sports: Duke Table Tennis Team B in NCTTA Carolina Division

References

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Last updated: November 12, 2025