

STANIMIR GEORGIEV MORFOV

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RESEARCH INTERESTS

Executive Pay, Contract Theory, Computation

EDUCATION

Ph.D. in Economics (cum laude), Universidad Carlos III de Madrid, Spain, 2009

M.A. in Economics, Central European University, Budapest, Hungary, 2002

Master's Degree in Finance and Banking, Sofia University "St. Kliment Ohridski," Bulgaria, 2002

Bachelor's Degree in Business Administration, Sofia University "St. Kliment Ohridski," Bulgaria, 1999

ACADEMIC EXPERIENCE

Full-Time Lecturer, Department of Economics, School of Business Administration, University of Miami, 2016-Present

Visiting Assistant Professor, Department of Economics, School of Business Administration, University of Miami, 2014-2016

Assistant Professor, International College of Economics and Finance, National Research University - Higher School of Economics, Russia, 2007-Present

Teaching Assistant, Department of Economics, Universidad Carlos III de Madrid, Spain, 2002-2006

MANUSCRIPTS

"A Model of Managerial Talent: Addressing Some Puzzles in CEO Compensation" with Manuel Santos, 2016

In this paper we present an adverse selection model of managerial talent. The structure of optimal compensation reflects uncertainties about both managerial ability and outside wage options. Our model is instrumental in explaining the higher level of CEO pay and the prominence of incentive pay in large and high-volatility firms as well as the controversial evidence on career concerns. Relative performance evaluation (RPE) is only obtained if the performance function is weakly separable on managerial talent and internal productivity factors.

"Dynamic Moral Hazard with History-Dependent Participation Constraints," 2016

This paper considers a moral hazard problem in an infinite-horizon, principal-agent framework with two-sided limited commitment and history-dependent reservation utilities. We prove existence and construct a recursive representation of the problem. We establish properties of the utility frontier and compare it to cases with constant reservation utilities. We identify conditions under which agent's utility under the contract is strictly above her reservation utility. We conjecture that variability in agent's outside opportunities can be instrumental in the growth of her expected utility and wage. We further use numerical experiments to illustrate the properties of the optimal contract.

"Dynamic Wage Bounds, Myopia, and Limited Commitment," 2016

This paper formally analyzes the optimal implementation of compensation schemes where the wage cannot decrease in time. Such arrangements are commonly applied to tenured academics and civil servants. We use a finite-horizon model of moral hazard to analyze the disincentive effects and the cost involved. Myopia is shown to hurt the principal two-fold. If the principal is myopic, she is slow to adjust the contract to binding wages in the future. As a result, any adverse effect on incentives shows up late in the relationship, at an inherently good state, and is permanent. If the agent is myopic, the principal cannot decrease current wages sufficiently to offset the expected slackness in agent's future individual rationality. Interestingly, under full rationality dynamic wage restrictions can be used as a commitment device by the principal. We also consider an infinite horizon model where current wage binds future wages from below. The dynamic problem is reduced to a series of single-period problems stationary on a properly chosen state space, which allows for computing the model iteratively.

"Short-Term versus Long-Term Incentives," 2016

This paper considers the provision of long-term incentives in a principal-agent model with effort persistence. We analyze how the degree of substitutability between short- and long-term tasks affects compensation and the optimal contract. We demonstrate that a long-term contract with no threat of interim replacement can focus on short-term incentives because of an interaction between agent's effort choice and the value of her outside option.

WORK IN PROGRESS

"Relative Performance Evaluation and Managerial Outside Options" (with Manuel Santos)

"Stock Grants and Stock Options in the Manager's Compensation Package - A Dynamic View" (with Manuel Santos)

"Permanent Separations and Optimal Compensation with History-Dependent Reservation Utilities"

OTHER PUBLICATIONS

Microeconomics, HSE ICEF Publication under the TNK-BP Project, 2008

"Optimal Currency Composition of the Net Foreign Debt: The Case of Hungary," Central European University, Economics Department Master Thesis 2002/32

CONFERENCES AND SEMINARS

2015: University of Miami Finance Department Brown Bag Seminar

2014: University of Miami Economics Department Seminar

2013: Moscow International Finance Meeting, Moscow, Russia; Society for Economic Design Biennial Conference, Lund, Sweden; Society for Computational Economics International Conference, Vancouver, Canada; Eastern Economic Association Annual Conference, New York City; University of Miami Finance Department Brown Bag Seminar

2012: Moscow International Finance Meeting, Moscow, Russia (as a discussant); International Academic Conference on Economic and Social Development, Moscow, Russia,

2011: Southern Economic Association Annual Conference, Washington D.C.; Moscow International Finance Meeting, Moscow, Russia; NES/HSE Conference, Moscow, Russia (as a discussant); International Economic Association World Congress, Beijing, China; Society for Economic Design Biennial Conference, Montreal, Canada; International Academic Conference on Economic and Social Development, Moscow, Russia

2010: International Academic Conference on Economic and Social Development, Moscow, Russia

2009: Russian Economic Congress, Moscow, Russia; Southern Finance Association Annual Meetings, Captiva; Society for Computational Economics International Conference, Sydney, Australia; Society for Economic Design Biennial Conference, Maastricht, The Netherlands; Midwest Economic Theory Meeting (Spring), Iowa City; International Academic Conference on Economic and Social Development, Moscow, Russia

2008: Econometric Society Far Eastern and South Asian Meeting, Singapore; Econometric Society Australasian Meeting, Wellington, New Zealand; Econometric Society North American Summer Meetings, Pittsburgh; International Academic Conference “Economic Modernization and Globalization,” Moscow, Russia

2007: Royal Economic Society PhD Presentation Meeting, London; Higher School of Economics ICEF Seminar, Moscow, Russia

2006: Symposium of Economic Analysis (Job Market Session), Oviedo, Spain; Universidad Carlos III de Madrid Macro Seminar, Madrid, Spain

REFEREEING

Journal of Economic Theory, Review of Economic Dynamics, Scandinavian Journal of Economics, Journal of the New Economic Association

MEMBERSHIP IN PROFESSIONAL ORGANIZATIONS

Econometric Society, European Economic Association, American Finance Association, European Finance Association, Society for Economic Design, Society for Computational Economics

GRANTS, HONORS AND AWARDS

Individual Research Grant from the Scientific Fund at the National Research University - Higher School of Economics, 2011

Travel Grant from the Scientific Fund at the National Research University - Higher School of Economics, 2011

Individual Research Grant from the Scientific Fund at the National Research University - Higher School of Economics, 2010

Research Projects under the ICEF Research Laboratory in Financial Economics:

Pros and Cons of Long-Term Incentives, 2012-2013
 Calibrating a Model of Executive Pay, 2010-2011
 Dynamically Optimal Executive Compensation, 2009-2010
 Optimal Tenure Decisions, 2009

University Fellowship, Fundación Universidad Carlos III, 2006-2007

University Fellowship, Universidad Carlos III de Madrid, 2002-2006

USAID Fellowship, Central European University, 2001-2002

George Soros / Open Society Institute Fellowship, Central European University, 2000-2001

TEMPUS Scholarship, Sofia University “St. Kliment Ohridski,” 1997-1998

8 State Scholarships for Outstanding Academic Results, Sofia University “St. Kliment Ohridski” 1996-2000

TEACHING EXPERIENCE

Instructor, Department of Economics, School of Business Administration, University of Miami:

<u>ECO 698</u> (Economics of Asymmetric Information and Executive Compensation)	Graduate	Spring 2016
<u>ECO 611</u> (Labor Economics III)	Graduate	Spring 2015
<u>ECO 499</u> (Economics of Information and Insurance)	Undergraduate	Spring 2016
<u>ECO 211</u> (Principles of Microeconomics)	Undergraduate	Spring 2016
<u>ECO 212</u> (Principles of Macroeconomics)	Undergraduate	Fall 2014, Spring 2015
<u>ECO 303</u> (Macroeconomic Theory)	Undergraduate	Fall 2014, 2015, Fall 2016

Instructor, International College of Economics and Finance, National Research University – Higher School of Economics, Moscow, Russia:

Financial Economics II (Corporate Finance)	Graduate	2008-2013
Microeconomics	Graduate	2007-2009
Investment Management	Undergraduate	2007-2014
Corporate Finance	Undergraduate	2008

Teaching Assistant, Department of Economics, Universidad Carlos III de Madrid, Spain:

Macroeconomics III	Graduate	2004, 2005, 2006
Macroeconomics II	Graduate	2004, 2005
Macroeconomics I	Graduate	2003, 2004
Microeconomics	Undergraduate	2006
Public Economics II	Undergraduate	2002, 2006
Public Economics I	Undergraduate	2003
International Economics	Undergraduate	2003
Macroeconomics III	Undergraduate	2002

SKILLS

Languages: English (fluent), Spanish (fluent), Russian (fluent), Bulgarian (native)

Computer Skills: MATLAB, Fortran, Gauss, Mathematica, Stata, EViews, LaTeX, Scientific WorkPlace, WinEdt, MS Office (Word, Excel, Powerpoint, Access), SQL, HTML

PERSONAL INFORMATION

Citizenship: Bulgarian

Date of Birth: March 12, 1976

Family Status: Married, one child

REFERENCES

Professor Manuel S. Santos

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