

# TIANHAO YAO

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## EDUCATION

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<b>HEC Paris</b> PhD in Finance	<i>2018 - 2023 (Expected)</i>
<b>University College London</b> MSc in Statistics, with distinction	<i>2016 - 2017</i>
<b>Southwestern University of Finance and Economics</b> Bachelor in Economics	<i>2012 - 2016</i>

## RESEARCH INTERESTS

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ESG investment, sustainable finance, asset management

## WORKING PAPERS

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### **ESG Education and Job Choice** (*Job Market Paper*)

**Abstract:** I investigate whether ESG education promotes ESG awareness and affects job choices. Exploiting the gradual introduction of mandatory ESG courses in MBA curricula, I find that students who have taken mandatory ESG courses change their careers to work at firms with better ESG performance and in more sustainable sectors. I obtain this result in a triple difference-in-difference framework, which absorbs many dimensions of potential selection, and I provide additional evidence that the effect is likely to be causal. School-level wages decrease after the introduction of mandatory ESG courses. Graduates with ESG education are more likely to state ESG concerns on their CVs, and are less (more) likely to leave better (worse) ESG-performing companies. My results imply that ESG teaching affects how students trade off pecuniary benefits and externalities, and thereby affects the matching between employees and firms.

### **ESG News, Future Cash Flows, and Firm Value**

*with Francois Derrien, Philipp Krueger and Augustin Landier*

**Abstract:** We investigate the expected consequences of negative ESG news on firms' future profits. After learning about negative ESG news, analysts significantly downgrade their forecasts at short and longer horizons. Negative ESG news affect forecasts more strongly at longer horizons than other types of negative corporate news. The negative revisions of earnings forecasts following negative ESG news reflect expectations of lower future sales (rather than higher future costs). Quantitatively, forecast revisions can explain most of the negative impacts of ESG news on firm value. Analysts are correct to revise forecasts downward following negative ESG news and ESG sensitive analysts tend to provide more accurate forecasts.

### **Quality and Product Differentiation: Theory and Evidence from the Mutual Fund Industry**

*with Maxime Bonelli and Anastasia Buyalskaya*

**Abstract:** We study product differentiation in the mutual fund industry. We introduce a model in which funds with heterogeneous quality compete for investors by setting their level of product differentiation. In equilibrium, low-quality funds choose to be more differentiated and cater to a smaller set of investors. Using textual analysis of fund prospectuses,

we confirm empirically that funds with lower expected performance—low-quality funds—tend to be more differentiated. To test this mechanism, we use the publication of Morningstar rating to capture shocks to fund perceived quality. Funds receiving a low rating respond by increasing their product differentiation, which makes them less likely to die out. This has a market-level impact on the menu of funds available to investors.

## CONFERENCE AND SEMINAR PRESENTATIONS

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### 2023 AFA\*

**2022** HEC-HKUST Sustainable Finance Seminar; CICF; SFS Calvacade North America<sup>†</sup>; Research in Behavioral Finance Conference 2022<sup>†</sup>; European Economic Association; FMA European Conference; 4th Future of Financial Information Conference; Financial Risks International Forum; HEC Paris Finance PhD Workshop

**2021** 34th Australasian Finance & Banking Conference; Winter Meeting of the Econometric Society<sup>†</sup>; Corporate Finance Webinar<sup>†</sup>; HEC Paris

\* scheduled; <sup>†</sup> presentation by co-authors

## GRANTS AND HONORS

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GREGHEC Research Grant	2022
HEC Paris Foundation Scholarship	2018 - 2023
Prize for the second best MSc student, UCL Department of Statistics (2/79)	2017

## TEACHING

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<b>Lecturer</b> , Financial Markets (Master in Management), HEC Paris	2020
<i>Evaluations</i> : 4.31/5 (N=112)	
<b>Teaching Assistant</b> , Behavioral & Sustainable Finance, HEC Paris	2022, 2023
<b>Teaching Assistant</b> , Behavioral Finance, HEC Paris	2020, 2021
<b>Tutorial Instructor</b> , Financial Economics, HEC Paris	2019

## PROFESSIONAL ACTIVITIES

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### Discussions

“Conflicting Objectives of ESG Funds: Evidence from Proxy Voting” by Li, Naaraayanan and Sachdeva, 2022 FMA European Conference

“Flow-Driven ESG Returns” by van der Beck, 2022 Dauphine PhD Workshop

“Non-Standard Errors” by 300+ authors, 2021 Australasian Finance & Banking Conference

## NON ACADEMIC EXPERIENCE

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### Arvella Investment

Consultant, ESG Investment

2021-2022

## LANGUAGE AND IT SKILLS

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**Software:** R, Stata, Python, Matlab, Latex

**Languages:** English (fluent), Mandarin (native), French (basic)

## REFERENCES

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