

THE GEORGE L. ARGYROS SCHOOL OF BUSINESS AND ECONOMICS

CONFERENCE

ON THE

EXPERIMENTAL AND BEHAVIORAL

ASPECTS OF FINANCIAL MARKETS



CHAPMAN
UNIVERSITY

Argyros School of
Business and Economics

PROGRAM

Friday, December 10, 2021

Location: Beckman Hall, Room 404

9:00 AM	Continental Breakfast
9:15 to 9:20 AM	Welcome
9:20 to 10:15 AM	Speaker: Kenneth Ahern "The Conglomerate Network" Discussant: Andrew Bird
10:15 to 11:10 AM	Speaker: Brad Barber "Whatever it takes? Measuring conditional Fed promises" Discussant: Jinfei Sheng
11:10 to 11:30 AM	Break (coffee and tea provided)
11:30 AM to 12:25 PM	Speaker: Samuel Hartzmark "Predictable Price Pressure" Discussant: Shaun Davies
12:25 to 1:45 PM	Lunch
1:45 to 2:40 PM	Speaker: Tyler Muir "Whatever it takes? Measuring conditional Fed promises" Discussant: Lukas Schmid
2:40 to 3:35 PM	Speaker: Rick Townsend "Ratios of Changes: How Real Estate Shocks Did Not Affect Corporate Investment" Discussant: Amir Kermani
3:35 to 3:55 PM	Break (coffee and tea provided)
3:55 to 4:50 PM	Speaker: Ivo Welch "Resolving a Paradox: Retail Trades Positively Predict Returns but are Not Profitable" Discussant: Jean Helwege
4:50 to 4:55 PM	Concluding remarks

SPEAKERS' BIOS



Kenneth Ahern is an Associate Professor at the Marshall School of Business and a Faculty Research Fellow at the National Bureau of Economic Research (NBER). His research is distinguished by the study of networks to study how economic outcomes spread from one agent to another through interactions, including interactions among industries, individuals, and information sharing. His research has been published in leading finance and economics journals including the Quarterly Journal of Economics, Journal of Finance, Journal of Financial Economics, and Review of Economics and Statistics, and has been cited in both the popular press and legislative hearings around the world. Before joining USC, Kenneth was on the faculty of the Ross School of Business at the University of Michigan. Ph.D., M.A. University of California, Los Angeles, B.F.A. Tisch School of the Arts, New York University.



Brad Barber is the Gallagher Professor of Finance at the Graduate School of Management, UC Davis.

Professor Barber has been recognized as one of the most widely cited financial economists in the world (ranking 38th in one citation survey). In 2019, he was selected as a Fellow of the Financial Management Association (FMA), which "...recognizes individuals who have made significant contributions to the profession." He was also elected as FMA President and served in 2018. He currently serves on the Academic Female Finance Finance Committee (AFFECT) and the Principles of Responsible Investment (PRI) Academic Advisory Board. He was a Principal Investigator for the CalPERS Sustainable Research Initiative (SIRI, 2012-2016) and the finance department editor for Management Science (2009-2012). He is the founder of the Napa Finance Conference.

Professor Barber's research focuses on asset pricing, behavioral finance, and private equity. He has written numerous scholarly articles, which have appeared in top academic publications including the Journal of Finance, Journal of Financial Economics, Review of Financial Studies, Journal of Political Economy, Quarterly Journal of Economics, American Sociological Review, Journal of Financial and Quantitative Analysis, and the Financial Analysts Journal. His research has been covered extensively in the financial press, including Business Week, Time, The Wall Street Journal, ABC News, NBC Nightly News, CNN, CNNfn, and CNBC.

Professor Barber received his Ph.D. in finance from the University of Chicago in 1991. He received an MBA from the University of Chicago and a B.S. in Economics from the University of Illinois.



Andrew Bird is an assistant professor at the George L. Argyros School of Business and Economics. He completed his PhD in economics at the University of Toronto and his research spans topics in public finance, banking, and information in capital markets. His work has been published in the *Review of Financial Studies*, *Journal of Financial Economics*, *Review of Finance*, *Journal of Financial and Quantitative Analysis*, the *Accounting Review*, and the *Journal of Accounting and Economics* and has been covered by media outlets such as the *Wall Street Journal* and the *Economist*.



Shaun William Davies is an Associate Professor of Finance and the Research Director of the Burrige Center for Finance at the Leeds School of Business at the University of Colorado at Boulder. Dr. Davies earned his Ph.D. at UCLA Anderson's Graduate School of Management in 2013, his M.A. in Economics at UCLA in 2010, and both his B.S. in Applied Mathematics and B.A. in Economics at the University of Colorado in 2005. Dr. Davies is also a CFA charterholder. Dr. Davies' research interests are in Asset Management, Exchange-Traded Funds (ETFs), Target-Date Funds (TDFs), Socially Responsible Investing (SRI), Crowdfunding and Applied Game Theory. His research has been published in leading peer-reviewed journals, including the *Journal of Financial Economics*, *Review of Financial Studies*, *Review of Finance*, and *Journal of Financial and Quantitative Analysis*. Furthermore, his research has been featured in several media outlets including the *Wall Street Journal* and Bloomberg.

In addition, Dr. Davies is the Leeds Finance PhD Program Director. Dr. Davies teaches both undergraduate and MBA courses and is an award-winning teacher; Dr. Davies was the recipient of the 2020 Joseph L. Frasca Teaching Excellence Award.



Samuel M. Hartzmark studies asset pricing and behavioral finance. His research has appeared in the Quarterly Journal of Economics, Journal of Finance, Review of Financial Studies, the Journal of Financial Economics, the Quarterly Journal of Finance, and the Review of Asset Pricing Studies. He has received a number of awards including the DFA prize for best asset pricing paper published in the Journal of Finance, the Exeter prize (the first finance paper to win), the AQR Insight Award, best paper Utah Winter Finance Conference, the Jack Treynor prize, the Research Affiliates Best Paper Award, the Moskowitz Prize, the BNP Paribas Best Paper Award, the Charles Brandes Prize, Best Paper in the Review of Asset Pricing Studies, 2nd prize Fama-DFA award for best paper in asset pricing research in the Journal of Financial Economics, the Hillcrest Behavioral Finance Award in 2015 and 2018, the UBS Global Asset Management Award, the Michael J. Barclay young scholar award, the SIX Best Paper Award Swiss Society for Financial Market Research, and he was a finalist for the 2014 AQR Insight award. His work has been covered by a variety of media outlets including CNBC, Forbes, the Wall Street Journal, and Bloomberg among others.

Hartzmark holds a PhD from Marshall School of Business at the University of Southern California, an MBA from University of Chicago Booth School of Business, and a BA in mathematics/economics (summa cum laude) with a double major in religion from Emory University.



Jean Helwege had just earned an undergraduate linguistics degree at the University of Chicago, and she was following Ronald Reagan's first presidential campaign. "He said our economic situation could be improved if we deregulated and followed supply-side economics, and I was skeptical of that view," says Helwege. "However, even though I had a well-rounded education, I knew I didn't have the ability to figure out who had the right perspective on it. So, I wanted to learn more about economics."

And she did. In the following years, Helwege earned both a master's and a Ph.D. in economics at UCLA, and she was an economist at the Federal Reserve until 1998. She ultimately found her calling in academia—teaching at Ohio State University, University of Arizona, and Pennsylvania State University—and joined UC Riverside's School of Business in 2015 as a professor of finance, where she was recently named the Anderson Chair in Finance.

Helwege conveys obvious satisfaction in teaching at UCR specifically: "We are a school of moderate- to low-income students, and they don't necessarily have career-related family connections or the world experiences that make it easy for them to jump into the finance arena," she says, and she relishes their professional successes. "I'm very focused on their career preparation and workplace prospects."

Jean Helwege continued... That commitment is also reflected in her role as faculty advisor to the Hylander Financial Group—a club for finance students who meet weekly to discuss stock market conditions and manage a real-fund \$200,000 portfolio. She makes a clear connection between the importance of a hands-on experience, like the investment group, and a useful business education: “These students go out into the world and are successful because of this experience.”

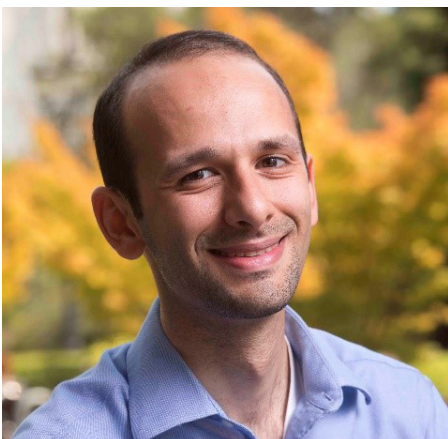
Helwege has written, co-written and published more than 30 papers, and among the most well-known are “Structural Models of Corporate Bond Pricing” (The Review of Financial Studies, 2004) and “Initial Public Offerings in Hot and Cold Markets” (The Journal of Finance, 1999). Helwege’s recent research includes a working paper, “Liquidity and Price Pressure in the Corporate Bond Market: Evidence from Megabonds,” and “How Does Low for Long Impact Credit Risk Premia?” issued in 2018.

“Three of these papers have something to say about corporate bond interest rates,” says Helwege. “In this environment today, corporate bond interest rates are extremely low, although always higher than the interest rates on a Treasury bond. Investors might not want to be in the stock market because it’s too scary, but Treasury bonds earn so little money.

“So, you will get some return for doing that, but the interesting question is why. Is it because the bonds might default? Is it because they are not very liquid? Or, is it because people ask for extra interest rate as they are worried about a tiny bit of default risk? These are the questions we explore.”

As she looks forward, Helwege continues to teach undergraduate and graduate students, alongside her focus on research, including as co-editor of the Quarterly Journal of Finance and associate editor of both the International Review of Finance and Journal of Financial Services Research.

With her considerable expertise, Helwege continues to share knowledge both through her research and courses, and says, “I want to see our students get the



Amir Kermani is an Associate Professor at Berkeley Haas. He received a PhD in economics from MIT in 2013. He is also a faculty research fellow at the NBER. His current research interests include monetary policy, household finance, financial intermediation, and political economy. PhD, Economics, MIT, MSc, Economics, London School of Economics, MSc, Managerial Economics, Sharif University of Technology, BSc, Electrical Engineering, University of Tehran



Tyler Muir, UCLA Anderson, Assistant Professor of Finance main research interests are at the intersection of asset pricing, financial intermediaries, and financial crises. "I'm interested in the role financial institutions play in financial markets and how this may change over time as things like financial regulation change," he says.

His recent work has focused on how the health of the financial sector affects variation in asset prices. Muir finds that an intermediary-based asset pricing model can help explain returns across assets previously considered anomalies. He has also examined the behavior of asset prices during financial crises using historical data over 150 years and 14 countries, and documented substantial declines in stock and bond prices, even relative to the declines in macroeconomic fundamentals.

Muir's co-authored study on volatility received media attention for its findings that, contrary to conventional wisdom and practices, it pays to get out of the stock market in times of turbulence. "In these really volatile times, we find that investors' future returns aren't actually any higher than they are in normal times," Muir told CNBC. "Our standard notion that high risk is equated with higher reward doesn't seem to be true."

Muir received his Ph.D. in finance from the Kellogg School of Management and his B.A. in mathematics from UC Berkeley. He was awarded the 2015 Amundi Smith Breeden Distinguished Paper Prize for research published in the Journal of Finance. He joined UCLA Anderson from the faculty of Yale School of Management.

He enjoys traveling and outdoor activities, including winter surfing off snow-covered beaches — which he expects he won't find in Southern California. Ph.D. Finance, 2013, Northwestern University. B.A. Mathematics, 2008, University of California, Berkeley



Lukas Schmid is Professor of Finance and Business Economics at the Marshall School of Business, University of Southern California, and a CEPR Research Fellow. Before joining Marshall, Lukas spent a decade at the Fuqua School of Business at Duke University. He currently serves as an Editor for the Finance Area at Management Science. Lukas' research interests are in dynamic quantitative modeling and structural estimation applied at the intersection of macroeconomics and financial economics. His most recent work was concerned with corporate and sovereign default and credit risk, as well as links between innovation, long-run growth and financial market performance. Lukas' research has been published in outlets such as the American Economic Review, the Journal of Finance, the Journal of Financial Economics, the Review of Financial Studies and the Journal of Monetary Economics. His work on capital structure and asset returns was awarded a Smith-Breeden Award (First Prize) for the best paper in the Journal of Finance, 2010. At Marshall, he teaches investments to undergraduate students and advanced asset pricing to PhD students. Lukas obtained a master's degree in mathematics from ETH Zurich and a PhD in Finance from the University of Lausanne & Swiss Finance Institute.



Jinfei Sheng is an Assistant Professor of Finance at University of California Irvine, Merage School of Business. He holds a PhD degree in finance from University of British Columbia. His primary research fields are empirical asset pricing and investments, with a focus on big data, textual analysis, and machine learning. A central theme of his research is to understand the roles of information in stock markets. He is interested in various types of information, including macroeconomic news, earning announcements, media coverage, and online reviews. Professor Sheng has published in Journal of Financial Economics. He has been invited to present and discuss at top finance and economic conferences such as American Finance Association Conference, NBER Meeting, American Economic Association Conference, European Finance Association Conference, as well as leading financial firms such as Citadel and BlackRock.



Richard Townsend's research is focused on corporate finance, with an emphasis on entrepreneurship and corporate governance. His research has been published in *Journal of Finance*, *Journal of Financial Economics*, and *Management Science*. He is a recipient of the Kauffman Foundation Junior Faculty Fellowship for entrepreneurship research. His research has been awarded the *Journal of Financial Economics* Jensen Prize and the AQR Insight Award.

Townsend received a bachelor's degree in Economics from Stanford University and earned his Ph.D. in Economics from Harvard University in 2011. Prior to coming to the Rady School, Townsend was an Assistant Professor of Finance at the Tuck School of Business at Dartmouth College.



Ivo Welch is an American economist and finance academic. He is the J. Fred Weston Professor of Finance at UCLA Anderson School of Management. He completed his BA in computer science in 1985 at Columbia University, and both his MBA and PhD in finance at the University of Chicago.

His research has focused on financial economics and informational cascades. Publications include articles in academic journals and the popular press, in addition to a self-published *Corporate Finance* textbook. He was previously on the faculties of the Yale School of Management (Professor of Economics and Finance) and Brown University's economics department (Professor of Financial Economics). He is an National Bureau of Economic Research (NBER) Research Associate. He has been editor of the *Critical Finance Review* since inception.

Professor Welch is a two-time recipient of the Michael Brennan Award. He ranked about 50th by downloads on SSRN in 2014 but has since slipped to 100th (by 2021), both by downloads and by cites. In 2006, he ranked 54th on the Web of Science list of "Most-Cited Scientists in Economics & Business"; in 2007 (the last year of the rankings), he ranked 57th. On Google Scholar, his work had gathered about 40,000 cites in 2019, increasing by about 2,500 cites per year thereafter. In the German *Handelsblatt* VWL Rankings of economists with German background 2019, his life work was ranked second (behind Roman Inderst) for finance professors and sixth among all economics professors. He is a Humboldt Foundation 2015 fellow.

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